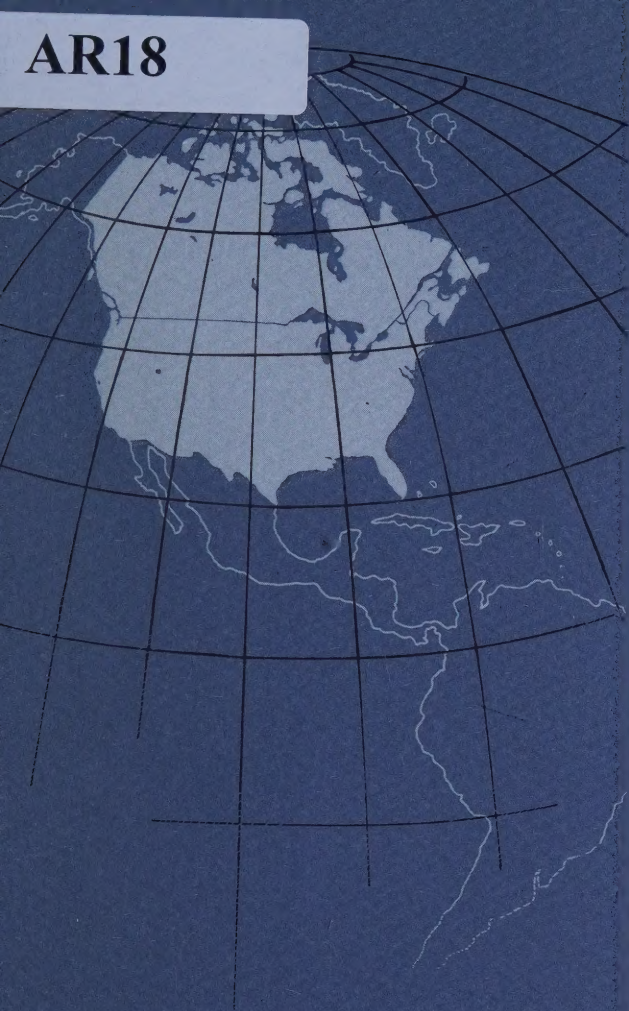


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ANNUAL REPORT 1964

NALAC
NORTH AMERICAN LIFE AND CASUALTY COMPANY

69th Annual Report of the North American Life and Casualty Company



The NALAC 1963 Annual Report to Shareholders was judged best of the life insurance industry by Financial World magazine. This Bronze Oscar was awarded to the company to mark the achievement.

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Board of Directors	—Inside Back Cover

NOTICE OF ANNUAL MEETING—The Annual Meeting of shareholders will be held Tuesday May 4, 1965, at 10:00 a.m. (Central Standard Time) at North American Life and Casualty Company, 1750 Hennepin Ave., Minneapolis, Minnesota.

FINANCIAL HIGHLIGHTS

for the years ended December 31

	1964	1963	Percentage Increase
Life Insurance in Force.....	\$2,263,806,106	\$1,876,190,765	20.66
Life Insurance Sales.....	618,951,457	564,152,127	9.71
Premium Income.....	31,450,012	26,291,088	19.62
Investment Income.....	3,261,989	2,756,073	18.35
Policyowners' Benefits.....	15,508,716	12,561,430	23.46
Net Gain from Operations.....	1,020,272	955,377	6.79
Net Return on Investments.....	4.71%	4.58%	2.84
Net Income and Realized Gains.....	1,202,051	1,174,608	2.34
Capital Funds.....	18,334,597	17,455,244	5.04
Total Assets.....	80,026,715	72,309,228	10.67
Statutory Earnings Per Share*.....	.28	.26	6.79
Adjusted Earnings Per Share*.....	1.18	1.16	1.72
Total Sales Offices.....	72	67	7.46
Number of Shareholders.....	15,000	9,000	66.67
Number of Shares Outstanding.....	3,623,747	3,020,000	20.00

**Reflects 1-for-5 stock distribution in 1964. See page 6.*

NALAC

Report to Shareholders



Photo by Karsh/Ottawa

H. P. Skoglund, President

1964 was North American's finest year. It featured the most dramatic growth in the Company's 69-year history and brought substantial gains in every area of our business.

We passed the \$2¼ billion mark of life insurance in force—the result of a record \$619 million in new life sales. Term insurance in force was up 17 per cent, group up 29 per cent, permanent insurance sales up 16 per cent—an overall improvement of 20.7 per cent.

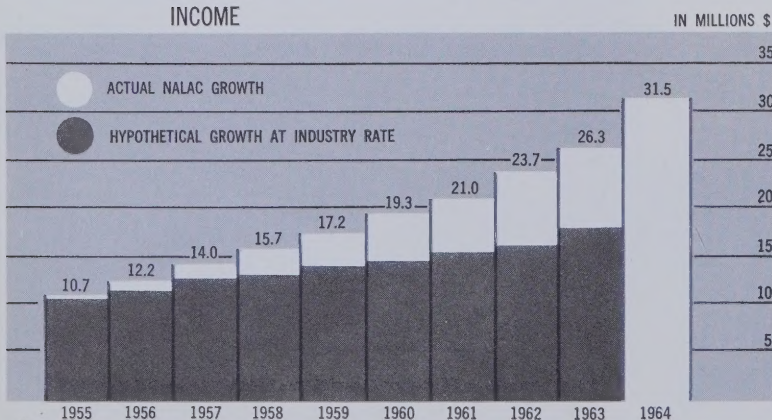
We realized a 7 per cent increase in net gain from operations while adding this substantial amount of new business to the books. This could

well have resulted in an operating loss. There is usually a first-year cost or investment of approximately two dollars for every dollar of new business entered. Profits from new business do not become evident until later years. Therefore, it is extremely difficult for a fast-moving company, one dedicated to long-term growth, to reflect immediate profits.

Our portfolio of permanent life insurance—whole life and endowment—increased substantially during 1964. This was the result, in part, of a unique, concentrated term conversion program, initiated during the fourth quarter. This conversion program, in less than a four-month period, brought in \$24 million of permanent life sales. More than 1,700 term insurance policy-owners exercised the conversion privilege. Our net increase in permanent insurance in force during 1964 was \$46.5 million—up \$19.6 million from 1963. However, the \$24 million of conversion business is not shown as a part of our new life sales, nor is it fully reflected in the \$46.5 million increase of permanent insurance in force.

North American continues to be one of the leaders in the term insurance field. Term insurance, in its own right, is good and profitable business. More than that, it opens more readily the avenues for the placement of whole life and

TOTAL
PREMIUM
INCOME



other permanent protection plans. In essence, our sales organization is in an enviable position to reap a harvest of transition sales from term to ordinary. This is "bonus" business and we plan to actively pursue our conversion program as a second stage to the aggressive sale of term insurance.

We have continued our record of growing faster than the insurance industry as a whole. Latest statistics indicate that NALAC rose from 75th to 70th place in life insurance in force during 1963. At the end of 1960 we were in 86th place. No other U.S. or Canadian, mutual or stock company, out of the top 100 firms has shown such an advance in this period. In the statistical charts appearing in this report, NALAC's growth is illustrated in relation to that of the total industry. The Company's actual results are compared with hypothetical growth rates representing what they might have been if they paralleled the industry's average.

The increase in our shareholder family should also be noted as an indication of confidence—confidence in the Company and the insurance industry as sound investment opportunities. During the year, some 6,000 persons were added to our shareholder list—bringing the total to more than 15,000. We take particular pride in the great number of executive, sales, administrative and clerical personnel of North American who have made an investment in the future of their Company.

Sales for the Year

As stated, a milestone was passed in April when the Company achieved a level of \$2 billion in the life insurance in force. It took NALAC 65 years to achieve its first billion, and only 4 for the second. At year-end the total had climbed to \$2,263,000,000, a net increase for the year of \$388,000,000, or 21 per cent. Total life insurance sales for 1964 were \$619,000,000, an increase of 9.7 per cent over the volume in 1963.

Net additions to life insurance in force among the major forms of coverage offered in 1964 were as follows:

- ... whole life and endowment up \$46.5 million, or 16.0 per cent, vs. \$26.8 million, or 10.2 per cent in 1963;
- ... term and other up \$172.5 million, or 17.2 per cent, vs. \$216.8 million, or 27.6 per

cent in 1963, and

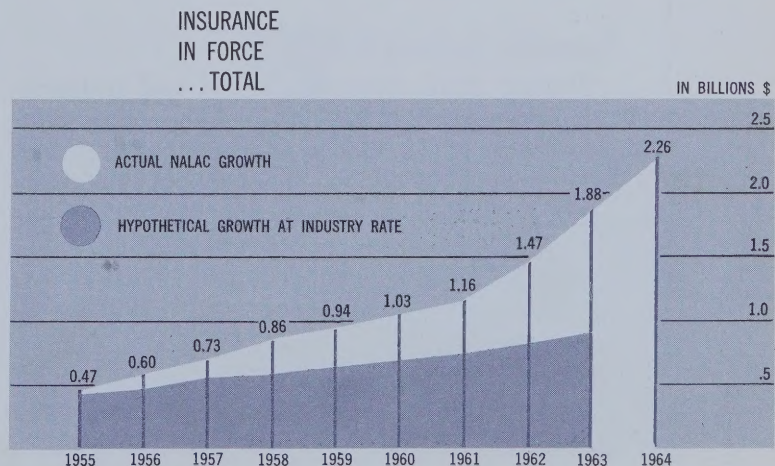
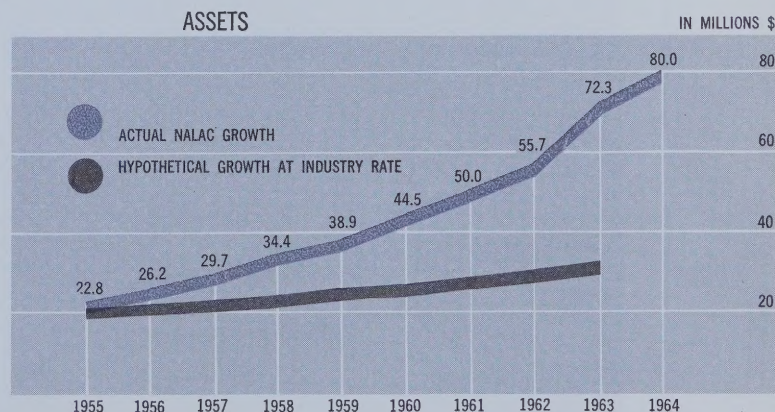
... group up \$168.6 million, or 28.9 per cent, vs. \$160.0 million, or 37.9 per cent in 1963.

At the end of the year, whole life and endowment amounted to 14.9 per cent of total life insurance in force, term 51.9 per cent, and group 33.2 per cent.

The Company has not written participating insurance for more than 15 years. Hence, the amount of such insurance in force is less than 1/30th of one per cent of total insurance in force.

Following the increases in all categories of insurance written, premium income realized a good increase:

- ... total premium income was up 20 per cent;
- ... first year individual life premium was up 19 per cent;
- ... first year individual health insurance pre-



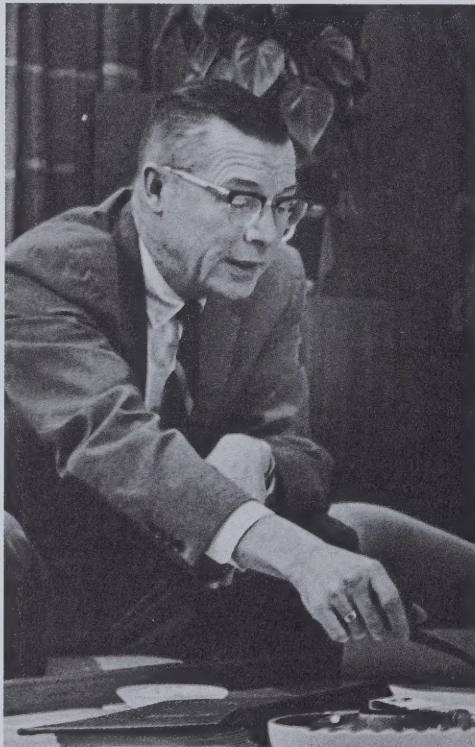
miums were up 13 per cent;
... first year premium income—group life insurance was up 126 per cent, and
... first year premium income—group health insurance was up 94 per cent.

These gratifying increases in both life insurance in force and premium income demonstrate that the Company has followed a sound policy in expanding its sales offices and developing a high quality sales force of its own, backed by a varied portfolio of standard and special policies with the widest possible appeal.

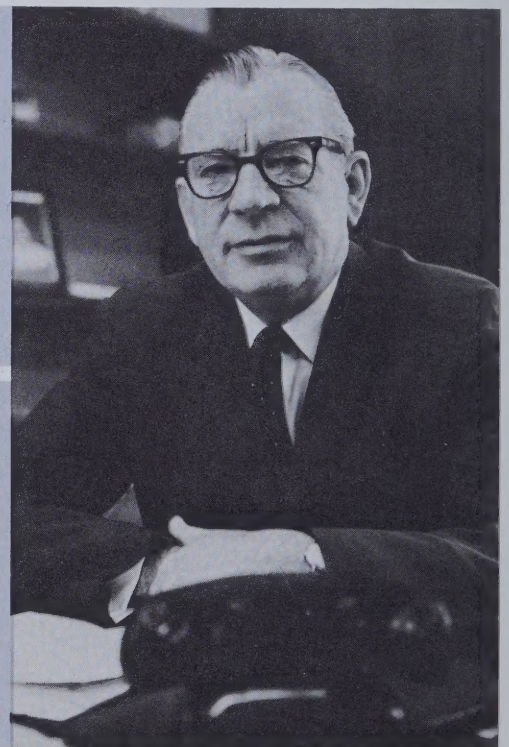
a policyowner's coverages and relate them to current needs. When the CAPS program becomes an integral part of our field activity, the Company will enjoy a closer, more active relationship with its growing family of policyowners, and achieve an increased amount of repeat business.

Other Sales Factors

NALAC's emphasis on quality business provides basic strength in another important area of evaluation—the persistency ratio for ordi-



J. E. Scholefield
Senior Vice President



Welden S. Ingvaldson
Treasurer

Computer Audited Policies

During 1964, research, study and preparations were completed on a program to give maximum service to policyowners, and by so doing, to generate new business and improve persistency of business in force.

The program, now in action in several offices, is known as the Computer Audited Policy Survey service. The key to the CAPS program is computer-compiled status cards which will list annual provisions, values and changes taking place in every life insurance policy. These cards will enable NALAC field underwriters to audit

nary insurance. Most lapses, or failures to pay premiums, occur early in the lives of policies. Although among the best in the industry, immediate and long-range procedures have been designed to further strengthen this area of the Company's business.

Two additions to the NALAC sales training program were initiated during the year. The first, a "Career Decision Program," is composed of units which give a novice an opportunity to learn and to do some of the things a successful career underwriter does daily. Each candidate has a chance "to try on the job for size" and

determine for himself if he likes doing what is required.

Pre-indoctrination is of mutual benefit to the potential salesman and the Company. This procedure eliminates the investment of the salesman's time and reduces the Company's investment in potential failures.

The other addition is a series of informational manuals, based on self-teaching concepts, which are given to new underwriters. The programmed-learning approach allows new salesmen to acquire the basic knowledge of insurance on their own time and at their own rate.

Net Gain From Operations

NALAC has achieved a consistent, substantial level of profit from operations. The major source of income — premiums — increased to \$31,450,012 in 1964, from \$26,291,088 in 1963. Interest and dividends received from investments, plus all other items of operating income, rose to \$3,707,223, compared with \$3,003,477 in the preceding year.

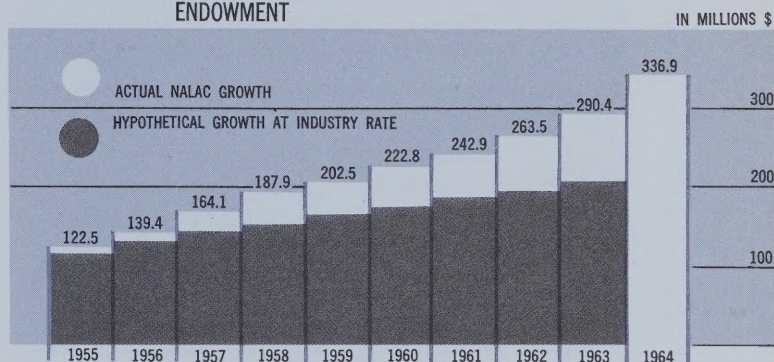
Net investment income increased to \$3,261,989, up 18.4 per cent over the \$2,756,073 realized in 1963. Part of the rise stemmed from the public offering of Company stock in March of 1963 which provided a sizeable amount of additional funds for investment. The net yield on investments amounted to 4.71 per cent in 1964 as against 4.58 per cent in 1963. The latter figure has been adjusted to reflect the fact that the funds realized from the public offering of stock were available for investment for only nine months in 1963 vs. a full year during 1964.

Total operating income for the year amounted to \$35,157,236, up 20 per cent from the 1963 figure of \$29,294,565.

All expenses associated with placing new insurance on the books must be met in the year the policy is written. Since such expense substantially exceed first year premiums on new policies, the balance of the costs must be met out of total income. This fact in insurance accounting practices has the effect of lowering the net gain from operations when a large volume of new business is being written.

In 1964, the Company was again successful in reducing these costs (sales expense, clerical costs, and others relative to the total operating

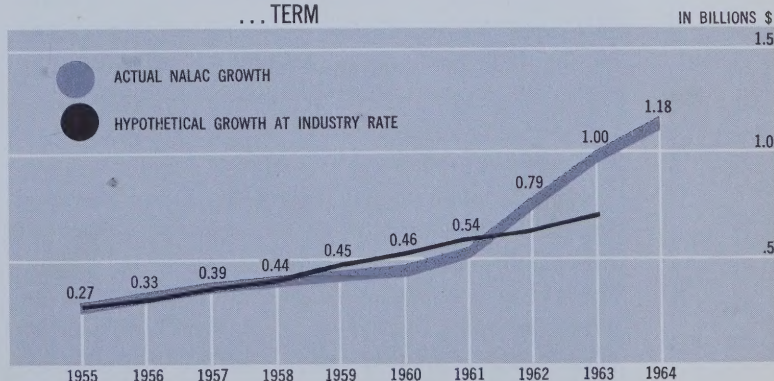
INSURANCE IN FORCE ... WHOLE LIFE & ENDOWMENT



income). However, payments to policyowners, principally as a result of a larger number of claims stemming from accidental deaths, were proportionately higher than operating income. Consequently, net gain from operations after taxes increased only 6.8 per cent to \$1,020,272, a somewhat smaller gain than experienced in 1963.

Direct sales expense and sales compensation as a percentage of first year individual premium billings was 113.9 per cent in 1964 and 114.9 per cent in 1963. Other new business and administrative expenses as a percentage of total individual premium income decreased to 13.7 per cent from 14.0 per cent in the preceding year. The ratio of actual to tabular mortality was 39.2 per cent in 1963 and 53.8 per cent in 1964.

INSURANCE IN FORCE ... TERM

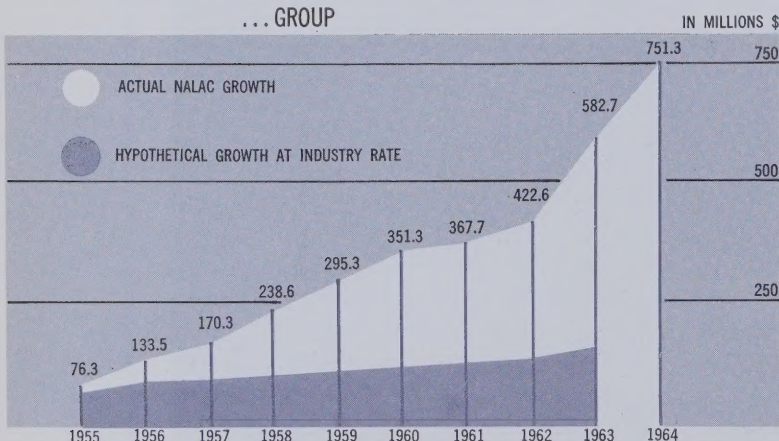


On the basis of 3,623,747 shares outstanding at the end of the year, statutory earnings totaled 28 cents per share compared with 26 cents in 1963. These figures reflect an increase of 603,747 shares in the volume of common stock outstanding as a result of the 6-for-5 stock distribution in April.

This earnings figure does not, however, reflect the value of the increase in life insurance in force in terms of net income to be derived in future years.

On the basis of a formula deemed appropriate for NALAC by security analysts and actuaries, adjusted earnings per share were \$1.18 in 1964, compared with \$1.16 in 1963.

INSURANCE IN FORCE ... GROUP



The adjustment, which is added to statutory earnings, is designed to approximate the deferred acquisition expenses over the life of the policies in force, and adds \$20 per thousand for net increased permanent insurance in force; \$10 for term and \$3 for group; plus 35 per cent of the increase in the unearned premium reserve for sickness and accident coverage.

Net Income and Realized Gains

Net income and realized gains totaled \$1,202,051, including net capital gains of \$181,076, plus other financial items of a non-operating nature. This was a slight increase over the 1963 figure of \$1,174,608 which included net capital gains of \$279,018.

Dividends and Stock Distributions

In 1964 the Company paid its 24th consecutive cash dividend. It also made a 1 for 5 stock distribution during the year, the third distribution since 1957.

Since the reinvestment of earnings provides the basis for growth in an insurance company, NALAC has followed a conservative policy in regard to cash dividends. Total cash payments amounted to \$159,349.

Though the Board of Directors will continue to place emphasis on the Company's capital requirements as being in the best long-term interest of the stockholders, it will, from time to time, consider the same cash dividend and further stock distributions as conditions permit. We feel this policy is the proper one for a growth company.

Capital and Surplus Funds

At the end of the year capital and surplus totaled \$18,334,597 compared with \$17,455,244 at the end of 1963, an increase of five per cent. The net addition of \$879,353 was derived from the gain in operations after dividends and adjustments.

Capitalization as of December 31, 1964, consisted of 3,623,747 shares of \$1.00 par common stock (out of 5,000,000 shares authorized), paid-in surplus of \$9,308,338, unrealized appreciation of securities of \$746,542 and earned surplus of \$4,655,970.

Assets

Total assets rose to \$80,026,715 at the end of 1964, compared with \$72,309,228 at the end of 1963, an increase of \$7,717,487 or 11 per cent. The investment portfolio totaled \$68,544,198 of which 23 per cent was accounted for by bonds, 66 per cent by mortgages of which 57 per cent are government insured and 4 per cent by holdings of common stocks. A detailed listing of the holdings in the investment portfolio is presented within this report.

Pensions and Profit Sharing

The Company has pension plans for employees, managers, and field underwriters. The plans are qualified with the Internal Revenue Service

and funded by assets deposited in trust for the employees.

NALAC has profit sharing plans for employees which are wholly funded by Company contributions. On December 31, 1964, the assets in the pension plans were \$1,503,544 and the assets in the profit sharing plans were \$2,747,519. A substantial amount of the trust funds is invested in North American stock and the figures shown reflect appreciation in value

Organization

Heading the list of important additions and changes in personnel during the past year was the election of T. O. Peterson to a directorship. Mr. Peterson is Chairman of the Board of The Investors Group of Canada, formerly Investors Syndicate of Canada, Ltd., the largest firm of its kind in Canada. We welcome the financial knowledge and experience which Mr. Peterson brings to our Board.

John C. Skoglund, Vice President, was transferred to Toronto, Ontario, as Vice President—Canadian Operations. Wayne R. Hanson was appointed Director of Health Insurance Sales. Robert H. Rydman, NALAC's General Counsel, was appointed Director of Group Insurance and Barton C. Burns, our Tax Counsel was appointed Associate General Counsel.

Our Budget and Responsibility Reporting System improved its efficiency during 1964. Executive and department head recommendations were coordinated and processed by computer and as a result each key man in our organization knew his sales goal, revenue and expense budget at the beginning of the year.

The transfer of creditor insurance operations from our Group Department to the Special Risk Department should improve our service and expand our sales to financial institutions. Creditor insurance, both life and disability, is available through financial outlets and since our Special Risk Department already covers this field with mortgage insurance sales, the move should blend our contacts in the financial area.

To keep ahead of growth demands, we added 67 full-time or career salesmen to our field underwriting force during 1964, a 9 per cent increase, making the present total 810. The brok-



John C. Skoglund, Vice President
Canadian Operations

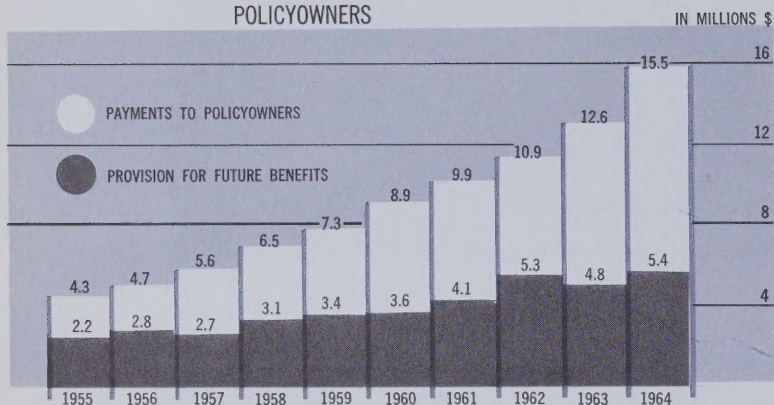


Ralph I. Oasheim, Vice President—Controller



Wilson Scott, Actuary

BENEFITS PAID TO POLICYOWNERS



I. W. Kimmerle, Secretary

erage sales operation was also expanded during the past year. Our home office staff increased to 458, a 9 per cent gain over last year's 421.

In field operations, we opened five new sales and service offices: Montreal; Washington, D.C.; Charlotte, North Carolina; Santa Barbara and San Fernando, California. In the first two months of 1965, the Company established new branches at Ottawa and London, Ontario, and Detroit, bringing the total to 75 offices. Our policy of annually expanding the number of sales and service offices will continue and include the opening of six more offices in 1965.

Outlook for the Future

Any list of conditions expected to influence the Company's growth during the balance of the current year must include improved products, market penetration and increased efficiency. We are constantly aware that the addition of salaried personnel be weighed and justified with relation to the efficiency of the existing staff.

The consolidation and improvement of our product line in 1964 should certainly bear fruit in the current year. Favorable results have been realized from the excellent reception accorded the new Salary Budget Plan. The Custom Line portfolio of the health insurance policies, recently introduced, also has been well received.

The population increase is a fact of life which

is working in favor of the entire insurance industry. However, we feel it is working in greater proportion for NALAC because of the number of our policies that are especially designed to fit the needs and pocketbooks of the World War II babies who are getting married, starting full-time employment and beginning new families.

Much has been said of NALAC's policy of constantly expanding its branch and agency office network. In the current year, 9 new offices are expected to be opened in different areas, 4 more than in 1964. Although it takes a while for a new office to become productive, the impact of this steady expansion has contributed substantially to our sales growth and will continue to do so. There is a heavy initial cost in the opening of new offices and on the average it takes from two to three years before an office shows a profit. Our expansion program has been on a very sound basis—although we have 75 offices today, we had but 37 as recently as 1960.

It should be mentioned that, despite the expansion which our branch and agency office system is undergoing, we are still a long way from maturity in our physical plant growth. There is a large potential for future growth.

The rapid acceleration of our sales in recent years has forced the Company to concentrate on methods of increasing efficiency and reduc-



Ward H. Beall, Vice President—Underwriting

ing administrative and sales expenses. It is due in large measure to the success of these efforts by the men and women of NALAC that we have been able to make profitability gains. New methods planned for the year and additional computer equipment will add strength to this continuing program.

In addition to the above, internal organizational changes during 1964 have put us in an excellent position to reap benefits from them this year. Of special note in this respect is the successful realignment and reorganization of the Company's Canadian operations.

In last year's annual report, a reply card was inserted for shareholders who wished information concerning nearest sales offices, insurance policies and opportunities in our sales organization. More than 700 replies were received. Accordingly, we have again enclosed a similar card and invite your requests. We do not hesitate to suggest that shareholders who are contemplating changes or additions to their insurance program look at—and recommend to friends—the complete line of personal insurance services outlined in brief on pages 10 and 11. We take particular pride and care in serving all of our policyowners and in particular our shareholders.

With the momentum of growth that has been gathering over the last few years, it is difficult to predict anything but a continuation of this

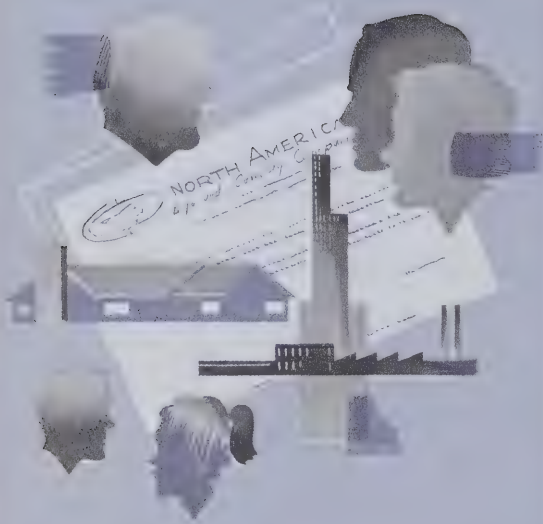
trend. We have set an accelerated sales target for 1965 that will take the utmost effort of our sales and administrative staff. This means that NALAC should reach the \$3 billion mark for life insurance in force during 1966. While this places a tremendous challenge on the organization to keep pace profitwise, past performance indicates that improvements should also be made in our net gain from operations.

We are again grateful to our employees, shareholders and policyowners for their support. It is our earnest belief that the current year and the years to come will see further evidence to merit their continued confidence.

H. P. SKOGLUND
*Chairman of the Board
and President*

March 15, 1965

NALAC offers complete line of life and health coverage . . .



- All regular life plans (ordinary, term, endowment, annuity, special retirement plans, etc.)
- All regular health plans (income replacement, hospital, surgical, medical care, etc.)
- Special life and disability plans for home and mortgage payments
- Accidental death and disability

Travel Insurance

- All regular life plans
- All health plans
- Travel insurance on annual basis
- Insured income and salary continuance plans
- Special low-cost permanent life insurance

Special Insurance Plans

- Life
- Major medical expense
- Accidental death and dismemberment
- Loss of time
- Long term disability

- Hospital and surgical
- Medical care (doctor's bills, X-ray and lab examinations)
- Additional accident expense

- All regular life plans
- Special health plans
- Retirement and annuity plans

- All regular life plans
- Special life plans
- Educational plans
- Future purchase guarantee plan

- Mortgage insurance—life and disability . . . available through financial institutions
- Creditor insurance — life and disability . . . available through financial institutions
- Rent insurance—disability . . . available through building management firms
- Air travel insurance . . . available at airports
- Salary budget plans

Distinctive
Features
of
NALAC
Coverage

- Lower rates for larger purchases
- All premiums calculated on age at *last* birthday
- Automatic waiver of premium for disability in all policies
- Discounted rates for women
- Reduced health rates for people in less hazardous occupations
- Full coverage for infants on first day of life or age zero
- Maximum disability coverage to \$800 per month
- Liberal underwriting for impaired (sub-standard) risks
- Group life covering as few as ten lives
- Health and life coverage through payroll deduction for as few as 5 employees
- Custom plan health coverage to fit individual budgets
- Simpler, easy-to-read policy forms planned for electronic issue

*Five Ways
to Pay
NALAC Premiums*

Most policyowners pay by check or cash on receipt of premium notice.

You may pay premiums in advance and gain liberal discounts.

You may establish a future premium deposit fund, make deposits whenever you wish and earn interest. NALAC automatically makes withdrawals from your account to meet premium payments as needed.

You may authorize NALAC to write checks against your checking account at your bank for automatic premium payments.

If you are an employee under an employer-sponsored plan, you may pay premiums through monthly payroll allotment at a premium saving.

SALES AND SERVICE OFFICES

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Minneapolis, Minnesota
Federal 8-5671

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Elmer O. Hammer, Mgr.
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832-1651

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Regional Director—Eastern Sales
99 Avenue Road
Toronto, Ontario
925-5994

CALGARY, ALBERTA
Gus B. Andersen, Mgr.
815 Sixth Street West
269-1188

EDMONTON, ALBERTA
J. B. Bolton, C.L.U., Mgr.
20 Commonwealth Bldg.
9912 106 Street
424-0626

HAMILTON, ONTARIO
Hendryk Dreschel, Mgr.
42 Main Street West
528-0046

LONDON, ONTARIO
David Rottman, Dist. Mgr.
186 King Street
434-1601

MONTREAL, QUEBEC
Edward Zackon, Mgr.
1 Place Ville Marie, Suite 3335
866-1145

OTTAWA, ONTARIO
Donald B. Hutcheson, Dist. Mgr.
P. O. Box 2010 Postal Station D
235-5106

PETERBOROUGH, ONTARIO
Charles Dunne, Mgr.
263½ George Street North
745-0545

REGINA, SASKATCHEWAN
Ronald T. Turner, Mgr.
306 Financial Bldg.
2101 Scarth Street
527-4655

SASKATOON, SASKATCHEWAN
Mervin Durham, Mgr.
308 Financial Building
652-7662

TORONTO, ONTARIO
Michael Monette, C.L.U., Mgr.
412 Mt. Pleasant Road
485-6525

VANCOUVER, BRITISH COLUMBIA
Gordon B. Tozer, Mgr.
1701 W. Broadway
736-6556

WILLOWDALE, ONTARIO
William Skelly, C.L.U., Mgr.
4889 Yonge Street
225-1101

WINNIPEG, MANITOBA
Harold N. McElmoyle, Mgr.
402 Investors Building
280 Broadway Avenue
943-6424

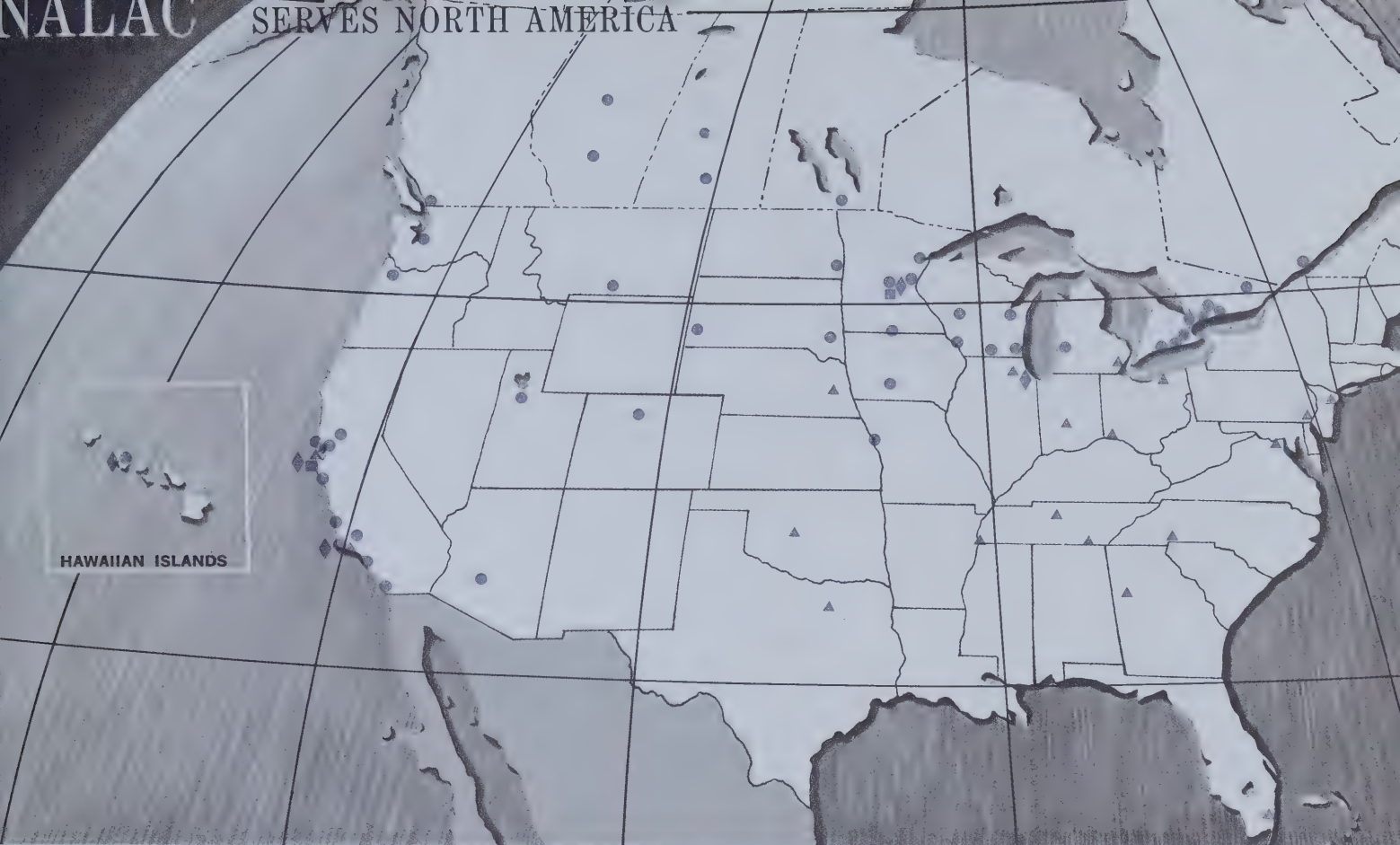
REGIONAL GROUP OFFICES

CHICAGO, ILLINOIS
The Aspegren General
Insurance Agency, Inc.
Group Department:
One North LaSalle Street
Suite 1255

372-0305

HONOLULU, HAWAII
Arthur Awai, Group Executive
Ala Moana Building, Suite 1019
1441 Kapiolani Boulevard
960-261

LOS ANGELES, CALIFORNIA
Dennis Toohey, Dist. Mgr.
3960 Wilshire Boulevard
381-6051



HAWAIIAN ISLANDS

LEGEND

- REGIONAL SALES OFFICES
- BRANCH OFFICES
- ▲ BROKERAGE OFFICES
- ◆ GROUP OFFICES

MINNEAPOLIS, MINNESOTA

J. B. "Bill" Clifford, Reg. Mgr.
John Garman, Dist. Mgr.
1750 Hennepin Avenue
Federal 8-5671

SAN FRANCISCO, CALIFORNIA

Philip H. Wright, Reg. Mgr.
Charles R. Thomison, Dist. Mgr.
1255 Post Street, Suite 1005
776-8836

TORONTO, ONTARIO, CANADA

Thomas S. Bateman, Dist. Mgr.
99 Avenue Road
925-5994

BROKERAGE OFFICES**ATLANTA, GEORGIA**

Douglas W. Moore, Mgr.
1140 Bank of Georgia Bldg.
34 Peachtree Street N.E.
688-8136

CHICAGO, ILLINOIS

The Aspegren General
Insurance Agency, Inc.
Brokerage Department:
R. T. Brown, Brok. Mgr.
One North LaSalle Street
Suite 1225
372-0305
Ward Hamlin
Resident Underwriter
One North LaSalle Street
Suite 1225
372-0305

INDIANAPOLIS, INDIANA

The Aspegren Agency
Brokerage Department:
Timothy A. McKeough Jr.
Brokerage Supervisor
614 Merchants Bank Bldg.
Melrose 2-2632

CHARLOTTE, NORTH CAROLINA

Insurance Services
P. E. Hill, Brok. Asst.
500 E. Moorhead, Suite 202
333-2323

CHATTANOOGA, TENNESSEE

Profit Plans, Inc.
Bob Hopper, Brok. Mgr.
615 Houston Street
267-9729

CINCINNATI, OHIO

Earls Brothers
Erwin C. Buehler, Brok. Mgr.
507 Gas & Electric Building
139 East Fourth Street
621-3400

CLEVELAND, OHIO

Robert F. Mapes, Mgr.
538 Union Commerce Building
241-0100

DALLAS, TEXAS

Financial Advisory Clinic
Glenn Baldwin, Chairman
Bob Sargent, Brok. Mgr.
1306 Hartford Building
748-9996

DETROIT, MICHIGAN

Sam C. Hakemian, Mgr.
17700 Northland Park Court
Southfield, Michigan
444-4373

LOS ANGELES, CALIFORNIA

Thomas H. Martin, C.L.U., Mgr.
3350 Wilshire Blvd., Suite 728
382-2101

MEMPHIS, TENNESSEE

Dunn-Lemly-Sizer
Theron M. Lemly, Mgr.
George F. Bruch, Brok. Mgr.
1309 Poplar Avenue
276-7318

MIAMI, FLORIDA

Charles C. Cox, C.L.U., Mgr.
1393 S.W. 1st Street, Room 410
373-5729

NASHVILLE, TENNESSEE

Dunn-Lemly-Sizer
Edward C. Dunn, C.L.U., Mgr.
Osta Underwood, C.L.U., Brok. Mgr.
1104 Sudekum Building
242-3331

NEWARK, NEW JERSEY

John Alviggi, Jr., C.L.U., Mgr.
570 Broad Street, Suite 504
622-6663

OKLAHOMA CITY, OKLAHOMA

Atlee I. Beagle, C.L.U., Mgr.
819 City National Building
232-4196

OMAHA, NEBRASKA

Robert L. Gilmore, Mgr.
551 Center Building
42nd and Center Sts.
346-9339

PHILADELPHIA, PENNSYLVANIA

William H. Moffett, Mgr.
Two Penn Center, Suite 1809
567-4110

SAN FRANCISCO, CALIF.

B. R. Franklin, Mgr.
111 Sutter Street, Suite 424
982-5893

WASHINGTON, D.C.

Floyd L. Tucker, Mgr.
888 17th Street N.W., Suite 214
298-9230

Admitted Assets

	1964	1963
CASH	\$ 1,809,101	\$ 951,409
BONDS; at amortized cost which approximates market:		
U. S. Government	\$ 484,418	\$ 397,382
Canadian Government	214,271	204,234
State, municipal and special revenue	4,482,882	3,094,335
Canadian provincial and municipal	7,294,422	6,849,213
Public utility, industrial and railroad	3,523,049	3,494,318
Total bonds	\$15,999,042	\$14,039,482
STOCKS, at market (cost \$1,995,946 and \$1,749,082, respectively)	\$ 2,742,488	\$ 2,491,956
MORTGAGE LOANS:		
U. S. Government insured	\$25,821,562	\$25,859,957
Other, property located in—		
United States	18,272,424	15,099,308
Canada	1,228,086	1,141,243
Total mortgage loans	\$45,322,072	\$42,100,508
POLICY LOANS	\$ 3,614,596	\$ 3,271,682
COLLATERAL LOANS	\$ 866,000	\$ 913,500
HOME OFFICE BUILDING AND OTHER REAL ESTATE, ETC., substantially at cost, less depreciation of \$710,616 and \$588,365, respectively	\$ 5,193,430	\$ 4,032,755
(LESS):		
Mortgage on Home Office Building, payable \$33,333 annually to 1977, \$500,000 then due	(933,333)	(966,666)
Mortgages on other real estate	(35,117)	(56,318)
Total	\$ 4,224,980	\$ 3,009,771
PREMIUMS DUE AND DEFERRED	\$ 4,851,291	\$ 4,645,907
INVESTMENT INCOME RECEIVABLE, ETC.	597,145	885,013
	<u>\$80,026,715</u>	<u>\$72,309,228</u>

The accompanying notes to financial statements
are an integral part of these statements.

December 31, 1964 and 1963

Liabilities, Capital Stock, and Surplus

LIABILITIES:

Policy reserves—

Life	\$50,260,789	\$45,088,508
Sickness and accident	3,401,622	3,262,974
Total policy reserves	<u>\$53,662,411</u>	<u>\$48,351,482</u>

Supplementary contracts without life contingencies	1,438,703	1,255,492
Policy and contract claims	2,896,656	2,319,658
Premium deposit funds and premiums received in advance	989,340	774,345
Accrued commissions and expenses	1,094,735	712,598
Reserves for taxes, including United States and Canadian income taxes of \$186,164 and \$94,765, respectively	899,989	713,036
Employee retirement reserve (unfunded past service pension costs approximate \$55,000 at December 31, 1964)	127,159	133,702
Other liabilities	583,125	593,621
Total liabilities	<u>\$61,692,118</u>	<u>\$54,853,984</u>

CAPITAL STOCK AND SURPLUS (Notes 1 and 3):

Common stock—\$1 par value per share, 5,000,000 shares authorized, 3,623,747 and 3,020,000 shares outstanding, respectively	\$ 3,623,747	\$ 3,020,000
Paid-in surplus, per accompanying statement	9,308,338	9,308,338
Unrealized appreciation of securities, per accompanying statement	746,542	742,874
Earned surplus, per accompanying statement	4,655,970	4,384,032
Total capital stock and surplus	<u>\$18,334,597</u>	<u>\$17,455,244</u>
	<u>\$80,026,715</u>	<u>\$72,309,228</u>

— accompanying notes to financial statements
are an integral part of these statements.

Statements of Income *for the years ended December 31*

	1964	1963
INCOME:		
Premiums	\$31,450,013	\$26,291,088
Supplementary contracts	412,993	222,971
Interest, dividends, rents, mortgage commitment fees and other, net	3,294,230	2,780,506
Total income	<u>\$35,157,236</u>	<u>\$29,294,565</u>
DEDUCT:		
Payments to policyowners	\$15,508,716	\$12,561,430
Provision for future benefits	5,354,193	4,746,875
Total policyowner benefits	<u>\$20,862,909</u>	<u>\$17,308,305</u>
Commissions	\$ 6,077,566	\$ 5,084,586
General insurance expenses, etc.	6,288,787	5,229,263
Taxes on premiums, payroll, etc.	857,702	717,034
Total expenses	<u>\$13,224,055</u>	<u>\$11,030,883</u>
Income before provision for income taxes	\$ 1,070,272	\$ 955,377
PROVISION FOR INCOME TAXES	<u>50,000</u>	<u>—</u>
NET GAIN FROM OPERATIONS, as reported in annual statements to insurance department	\$ 1,020,272	\$ 955,377
ADJUSTMENT for Canadian exchange gains (losses)	703	(59,787)
NET INCOME (Note 1)	<u>\$ 1,020,975</u>	<u>\$ 895,590</u>
REALIZED CAPITAL GAINS, net of applicable income taxes of \$65,000 in 1964 and \$100,000 in 1963	<u>181,076</u>	<u>279,018</u>
NET INCOME AND REALIZED CAPITAL GAINS	<u><u>\$ 1,202,051</u></u>	<u><u>\$ 1,174,608</u></u>

*The accompanying notes to financial statements
are an integral part of these statements.*

Statements of Surplus *for the years ended December 31*

	1964	1963
PAID-IN SURPLUS:		
Balance at beginning of year.....	\$9,308,338	\$ 350,000
Proceeds in excess of par value from sale, at \$19.50 per share, of 520,000 shares of \$1 par value common stock, less commissions of \$1.17 per share and other related expenses.....	—	8,958,338
Balance at end of year.....	<u>\$9,308,338</u>	<u>\$9,308,338</u>
UNREALIZED APPRECIATION OF SECURITIES:		
Balance at beginning of year.....	\$ 742,874	\$ 590,380
Change in unrealized appreciation of securities during year.....	3,668	152,494
Balance at end of year.....	<u>\$ 746,542</u>	<u>\$ 742,874</u>
EARNED SURPLUS:		
Appropriated for mandatory security valuation reserve—		
Balance at beginning of year.....	\$ 683,232	\$ 506,713
Increase in reserve during year.....	279,670	176,519
Balance at end of year.....	<u>\$ 962,902</u>	<u>\$ 683,232</u>
Unappropriated—		
Balance at beginning of year.....	\$3,700,800	\$3,012,122
Add (deduct):		
Net income.....	\$1,020,975	\$ 895,590
Realized capital gains on sale of securities, net of applicable income taxes.....	181,076	279,018
Increase in mandatory security valuation reserve.....	(279,670)	(176,519)
Change in nonadmitted assets, etc.....	(167,017)	(158,411)
Cash dividends to stockholders, 5¢ per share, based on shares outstanding prior to stock split-up in 1964 and \$8,349 cash in lieu of fractional shares on split-up.....	(159,349)	(151,000)
Stock split-up effected in the form of a stock dividend; one additional share issued at \$1 par (603,747 shares) for each five shares then outstanding.....	(603,747)	—
Net change for year.....	<u>\$ (7,732)</u>	<u>\$ 688,678</u>
Balance at end of year.....	<u>\$3,693,068</u>	<u>\$3,700,800</u>
COMBINED EARNED SURPLUS, at end of year.....	<u><u>\$4,655,970</u></u>	<u><u>\$4,384,032</u></u>

The accompanying notes to financial statements
are an integral part of these statements.

NOTES to Financial Statements

(1) BASIS OF FINANCIAL REPORTING:

The accompanying financial statements have been prepared in conformity with accounting practices prescribed or permitted by the Insurance Department of the State of Minnesota. Such practices vary from those generally accepted accounting principles commonly followed by other types of enterprises in that:

- (a) Commissions and other costs of acquiring new life business and similar costs related to earned sickness and accident premiums are charged to current operations as incurred instead of being amortized over the periods to be benefited. The Company uses modified preliminary term methods of computing reserves, as further discussed in Note 2(b) below, which give partial consideration to these costs.
- (b) Certain assets designated as "nonadmitted assets", principally furniture and equipment, net of depreciation provided, and agents' balances, net of collection losses charged to income, have been excluded from the accompanying balance sheet and are charged to earned surplus.
- (c) Life policy reserves for future policy benefits are based upon statutory reserve requirements and are greater than what would be required under current mortality experience; the reserves are also calculated using interest rates which are less than the experi-

ence indicated by the present investment portfolio and commitments.

- (d) Federal income taxes are provided for current year taxes payable without regard to taxes on amounts deferred to subsequent years. The Federal income tax effect of these matters is discussed in Note 2.

While the aggregate net effect of such variances on the financial statements has not been determined, in general these differences tend to reduce net income and earned surplus.

(2) FEDERAL INCOME TAXES:

Federal income taxes are provided for current year taxes payable without regard to taxes on amounts deferred to subsequent years.

- (a) Earned surplus at December 31, 1964, includes \$1,820,000 which, under provisions of the Life Insurance Company Income Tax Act of 1959, is defined as "policyholders' surplus" and is not subject to current income tax. Of this amount, \$130,000 arose in 1964 and \$85,000 in 1963. The amounts of such "policyholders' surplus" may be subject to income tax under certain conditions including certain cash distributions to stockholders.
- (b) Beginning January 1, 1958, the Company has elected to file its Federal income tax returns on the basis of using net level premium methods of comput-

ing life policy reserves. For book purposes, such reserves have been computed on the basis of modified preliminary term methods. This election raised the accumulated policy reserves for income tax purposes approximately \$3,500,000 at January 1, 1958. The use of net level premium bases has reduced taxable net income for those years coming under the Life Insurance Company Income Tax Act of 1959 by \$2,610,000, of which \$870,000 arose in 1964 and \$475,000 in 1963. The amount by which policy reserves for tax purposes exceed such reserves for book purposes reflects a more rapid rate of policy reserve accumulation, but does not affect the ultimate policy reserve requirement.

The estimated Federal income taxes applicable to the above matters would have been \$500,000 in 1964 and \$290,000 in 1963. The aggregate effect on earned surplus at December 31, 1964, was \$2,285,000.

(3) STOCK OPTIONS:

An officer of the Company has been granted an option to purchase 150,000 shares of the Company's common stock at a price of \$10.37 per share. This option expires August 9, 1967.

(4) LEASE COMMITMENTS:

Annual rentals on office facilities leased in various localities, generally on a short-term basis, are approximately \$275,000 for 1965.

ARTHUR ANDERSEN & Co.

To the Stockholders and Directors of North American Life and Casualty Company:

We have examined the balance sheet of NORTH AMERICAN LIFE AND CASUALTY COMPANY (a Minnesota corporation) as of December 31, 1964, and the related statements of income and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

These financial statements have been prepared in conformity with accounting practices prescribed or permitted by the Insurance Department of the State of Minnesota, which are designed primarily to demonstrate ability to meet claims of policyholders. These practices differ in certain respects (as set forth in Note 1) from generally accepted accounting principles commonly applied in the preparation of financial statements by other types of enterprises.

In our opinion, the accompanying financial statements present fairly the admitted assets, liabilities, capital stock and surplus of North American Life and Casualty Company as of December 31, 1964, and the results of its operations and changes in surplus for the year then ended, in conformity with accounting practices prescribed or permitted by the Insurance Department of the State of Minnesota, applied on a basis consistent with that of the preceding year.

ARTHUR ANDERSEN & Co.

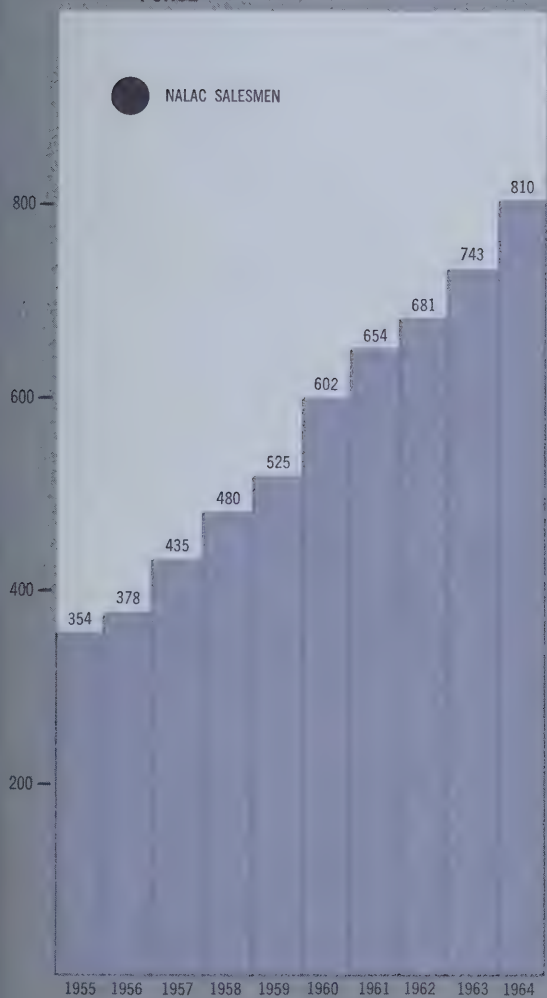
Minneapolis, Minnesota,
February 1, 1965.

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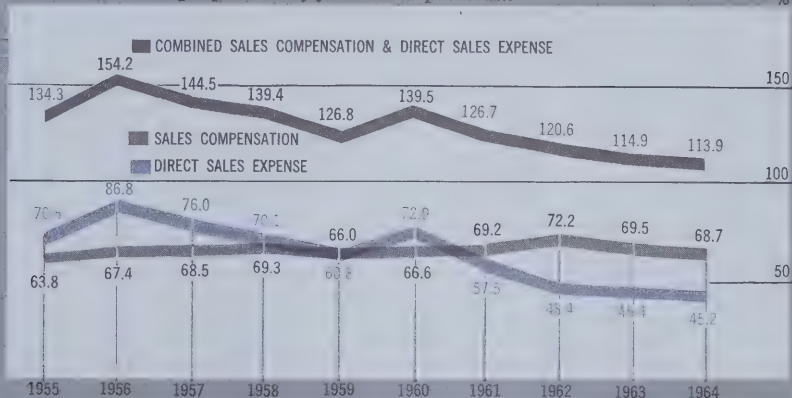
Performance

Charts

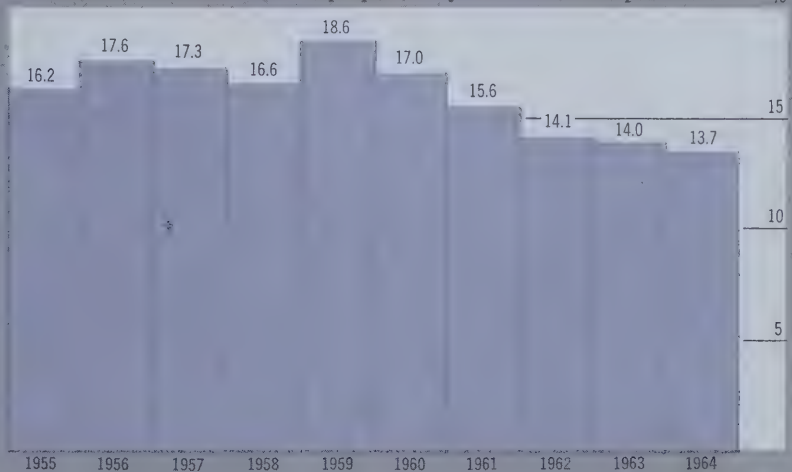
SALES
FORCE



SALES COMPENSATION & DIRECT SALES
EXPENSES . . . as proportion of first-billed premium



OTHER NEW BUSINESS &
ADMINISTRATIVE EXPENSE . . . as proportion of total individual premium



INCOME STATEMENTS:

	1964	1963	1962
PREMIUM INCOME			
Individual Life.....	\$16,484,691	\$13,529,931	\$12,252,699
Individual S & A.....	3,330,668	3,083,400	2,891,446
Group Life.....	5,028,070	3,782,494	3,145,821
Group S & A.....	6,606,584	5,895,263	5,397,684
Total Premium Income.....	\$31,450,012	\$26,291,088	\$23,687,650
NET INVESTMENT INCOME.....	3,261,989	2,756,073	2,230,445
OTHER INCOME.....	445,235	247,404	264,182
Total Income.....	\$35,157,236	\$29,294,565	\$26,182,277
TOTAL POLICYOWNER BENEFITS.....	\$20,862,909	\$17,308,305	\$16,245,627
TOTAL EXPENSE.....	13,224,055	11,030,883	9,607,426
PROVISION FOR (or refund of) INCOME TAXES.....	50,000	—	(120,000)
NET GAIN FROM OPERATIONS after Taxes.....	\$ 1,020,272	\$ 955,377	\$ 449,224
Refund and Adjustment of Prior Years Income Taxes....	—	—	(40,000)
Canadian Exchange Losses.....	703	(59,787)	(125,971)
REALIZED GAINS after Taxes.....	181,076	279,018	71,298
NET INCOME AND REALIZED GAINS.....	\$ 1,202,051	\$ 1,174,608	\$ 354,551
STATUTORY EARNINGS PER SHARE*.....	\$.28	\$.26	\$.12
ADJUSTED EARNINGS PER SHARE*.....	1.18	1.16	.98

BALANCE SHEET ITEMS:

ASSETS			
Cash.....	\$ 1,809,101	\$ 951,409	\$ 1,153,845
Bonds.....	15,999,042	14,039,482	12,382,239
Stocks.....	2,742,488	2,491,956	2,157,936
Mortgage Loans.....	45,322,072	42,100,508	29,624,376
Policy Loans.....	3,614,596	3,271,682	2,892,215
Home Office Building, and Other Real Estate, Etc. (Net)	4,224,980	3,009,771	2,594,318
Other Assets.....	6,314,436	6,444,420	4,932,047
Total Assets.....	\$80,026,715	\$72,309,228	\$55,736,976
LIABILITIES			
Policy Reserves.....	\$53,662,411	\$48,351,482	\$43,400,748
Other Liabilities.....	8,029,707	6,502,502	5,377,013
Capital Funds.....	18,334,597	17,455,244	6,959,215
Total Liabilities & Capital.....	\$80,026,715	\$72,309,228	\$55,736,976
NET RETURN ON INVESTMENTS.....	4.71%	4.58%	4.55%
ACTUAL TO REQUIRED INTEREST.....	200.1%	190.7%	172.2%
ACTUAL TO TABULAR MORTALITY.....	53.8%	39.2%	48.3%
NUMBER OF SALES OFFICES			
Regional Offices.....	2	2	2
Branch Offices.....	45	44	45
Brokerage Offices.....	20	16	8
Group Offices.....	5	5	4
Total Sales Offices.....	72	67	59
NUMBER OF SALARIED PERSONNEL			
Home Office Administration.....	312	294	278
Home Office Sales Administration.....	75	57	51
Branch Office Clerical.....	71	70	60
Total Salaried Personnel.....	458	421	389

*Reflects 6-for-5 stock distribution in 1964. Adjusted earnings calculated for the information of our shareholders on a basis frequently used by security analysts. See page 6.

for the years ended December 31

1961	1960	1959	1958	1957	1956	1955
\$10,522,663	\$ 9,596,717	\$ 8,868,304	\$ 8,428,642	\$ 7,556,716	\$ 6,495,646	\$ 5,566,406
2,750,154	2,537,458	2,474,262	2,351,337	2,362,891	2,396,802	2,536,309
2,833,898	2,598,321	2,230,752	1,740,596	1,260,062	947,833	606,239
4,855,948	4,532,517	3,607,764	3,206,816	2,797,133	2,327,259	2,014,298
\$20,962,663	\$19,265,013	\$17,181,082	\$15,727,391	\$13,976,802	\$12,167,540	\$10,723,252
1,979,400	1,677,214	1,428,838	1,175,254	1,012,850	975,148	758,853
458,170	380,485	306,701	203,653	147,813	215,700	180,252
\$23,400,233	\$21,322,712	\$18,916,621	\$17,106,298	\$15,137,465	\$13,358,388	\$11,662,357
\$14,064,037	\$12,472,013	\$10,705,812	\$ 9,624,872	\$ 8,371,635	\$ 7,416,860	\$ 6,486,766
8,392,583	7,927,626	7,078,213	6,757,262	5,820,778	5,136,016	4,538,723
182,511	(90,185)	112,003	155,374	97,951	76,930	109,742
\$ 761,102	\$ 1,013,258	\$ 1,020,593	\$ 568,790	\$ 847,101	\$ 728,582	\$ 527,126
40,000	(222,687)	77,437	146,337	(1,087)	—	—
(120,477)	—	—	—	—	—	—
68,070	135,222	17,065	13,833	4,236	47,875	9,297
\$ 748,695	\$ 925,793	\$ 1,115,095	\$ 728,960	\$ 850,250	\$ 776,457	\$ 536,423
\$.21	\$.28	\$.28	\$.16	\$.23	\$.20	\$.15
.58	.51	.45	.49	.58	.51	.36
\$ 1,059,499	\$ 709,368	\$ 459,431	\$ 735,097	\$ 347,134	\$ 294,857	\$ 259,220
10,966,495	9,284,833	7,690,504	6,302,556	5,367,392	4,036,871	3,762,457
1,784,370	977,474	830,697	671,628	517,501	483,575	359,317
27,197,438	25,075,565	22,650,471	19,931,008	18,019,795	16,517,198	14,206,995
2,533,317	2,139,048	1,681,857	1,444,075	1,248,442	1,087,171	906,281
2,109,840	2,054,672	2,080,641	2,079,650	1,473,593	1,359,103	1,359,251
4,394,277	4,254,998	3,526,506	3,230,768	2,749,394	2,439,661	1,996,434
\$50,045,236	\$44,495,958	\$38,920,107	\$34,394,782	\$29,723,251	\$26,218,436	\$22,849,955
\$37,746,953	\$33,682,698	\$29,765,709	\$26,387,026	\$22,959,850	\$20,153,032	\$17,410,192
5,593,483	4,960,919	4,255,661	4,017,262	3,371,938	3,209,396	3,160,762
6,704,800	5,852,341	4,898,737	3,990,494	3,391,463	2,856,008	2,279,001
\$50,045,236	\$44,495,958	\$38,920,107	\$34,394,782	\$29,723,251	\$26,218,436	\$22,849,955
4.47%	4.34%	4.22%	3.95%	3.84%	3.80%	3.71%
175.3%	161.7%	155.9%	139.1%	141.2%	143.0%	139.3%
46.6%	45.2%	37.4%	33.0%	28.0%	35.4%	27.1%
2	—	—	—	—	—	—
39	35	34	33	32	30	28
5	1	—	—	—	—	—
4	1	1	1	—	—	—
50	37	35	34	32	30	28
266	250	231	237	237	223	215
46	35	37	37	36	35	30
50	41	40	45	39	43	33
362	326	308	319	312	301	278

	1964	1963	1962
LIFE INSURANCE IN FORCE (In Thousands)			
WHOLE LIFE AND ENDOWMENT			
New Issues.....	\$ 57,652	\$ 51,743	\$ 43,178
Lapses and Surrenders, Less Reinstatements.....	25,290	21,283	20,571
Other Deductions (Net).....	(14,103)	3,584	1,996
Increase in Inforce.....	46,465	26,876	20,611
In Force End of Year.....	336,883	290,418	263,542
TERM AND OTHER			
New Issues.....	380,079	378,346	352,905
Lapses and Surrenders, Less Reinstatements.....	130,424	109,766	80,615
Other Deductions (Net).....	77,155	51,758	30,871
Increase in Inforce.....	172,500	216,822	241,419
In Force End of Year.....	1,175,585	1,003,085	786,263
GROUP			
New Issues.....	181,220	134,063	65,616
Lapses and Surrenders, Less Reinstatements.....	64,339	41,187	24,516
Other Deductions (Net).....	(51,769)	(67,180)	(13,810)
Increase in Inforce.....	168,650	160,056	54,910
In Force End of Year.....	751,338	582,688	422,632
TOTAL ALL LINES			
New Issues.....	618,951	564,152	461,699
Lapses and Surrenders, Less Reinstatements.....	220,053	172,236	125,702
Other Deductions (Net).....	11,283	(11,838)	19,057
Increase in Inforce.....	387,615	403,754	316,940
In Force End of Year.....	2,263,806	1,876,191	1,472,437
SICKNESS AND ACCIDENT PREMIUMS AND LOSSES			
Individual S&A Premiums Earned.....	\$3,330,669	\$3,083,400	\$2,891,446
Individual S&A Losses Incurred.....	1,560,700	1,585,817	1,430,655
Individual S&A Loss Ratio.....	46.9%	51.4%	49.5%
Group S&A Premiums Earned.....	\$6,606,583	\$5,895,263	\$5,397,684
Group S&A Losses Incurred.....	5,333,773	4,875,503	4,390,979
Group S&A Loss Ratio.....	80.7%	82.7%	81.3%
CANADIAN OPERATIONS (Extracted from Company Totals)			
Total Life Premium.....	\$2,781,550	\$2,509,247	\$2,372,364
Total S&A Premium.....	1,320,041	1,231,542	1,251,136
Net Investment Income.....	485,735	432,101	343,747
Net Return of Canadian Investments.....	5.40%	5.35%	4.96%
Insurance In Force Statistics (In Thousands)			
Total Life Insurance In Force.....	\$ 338,261	\$ 321,111	\$ 263,842
Total Life Insurance New Issues.....	62,801	51,941	52,628

for the years ended December 31

1961	1960	1959	1958	1957	1956	1955
\$ 43,972	\$ 42,971	\$ 36,041	\$ 41,931	\$ 39,165	\$ 26,488	\$ 22,646
20,659	20,112	19,378	16,944	13,042	8,611	8,172
3,140	2,638	2,023	1,199	1,411	981	753
20,173	20,221	14,640	23,788	24,712	16,896	13,721
242,931	222,758	202,537	187,897	164,109	139,397	122,501
166,495	97,157	81,611	108,685	110,608	92,943	75,625
62,993	62,324	56,212	54,712	41,572	33,082	28,071
18,046	21,970	14,498	11,297	6,493	1,860	4,657
85,456	12,863	10,901	42,676	62,543	58,001	42,897
544,844	459,388	446,525	435,624	392,948	330,405	272,404
10,164	38,837	38,046	55,034	29,808	36,854	20,367
18,653	14,554	11,221	10,100	7,368	5,273	5,570
(24,956)	(31,682)	(29,838)	(23,409)	(14,347)	(25,638)	(4,351)
16,467	55,965	56,663	68,343	36,787	57,219	19,148
367,722	351,255	295,290	238,627	170,284	133,497	76,278
220,631	178,965	155,698	205,650	179,581	156,285	118,638
102,305	96,990	86,811	81,756	61,982	46,966	41,813
(3,770)	(7,074)	(13,317)	(10,913)	(6,443)	(22,797)	1,059
122,096	89,049	82,204	134,807	124,042	132,116	75,766
1,155,497	1,033,401	944,352	862,148	727,341	603,299	471,183
\$2,750,154	\$2,537,458	\$2,474,262	\$2,351,337	\$2,362,891	\$2,396,802	\$2,536,309
1,235,464	1,221,859	1,190,217	1,195,500	1,288,882	1,209,803	1,370,065
44.9%	48.2%	48.1%	50.8%	54.5%	50.5%	54.0%
\$4,855,948	\$4,532,517	\$3,607,764	\$3,206,816	\$2,797,133	\$2,327,259	\$2,014,298
3,880,060	3,393,133	2,767,273	2,437,923	2,091,594	1,752,638	1,566,889
79.9%	74.9%	76.7%	76.0%	74.8%	75.3%	77.8%
\$2,199,361	\$2,157,873	\$1,929,828	\$1,539,465	\$1,153,409	\$ 866,184	\$ 589,870
1,232,084	1,628,252	1,700,984	2,015,161	1,810,604	1,555,233	1,357,244
271,181	201,314	147,149	108,824	80,757	62,644	50,270
4.79%	4.50%	4.31%	4.14%	3.96%	4.06%	4.25%
\$ 245,836	\$ 234,052	\$ 199,139	\$ 165,542	\$ 114,408	\$ 87,167	\$ 59,118
50,077	49,238	46,927	63,449	41,085	36,325	29,472

Securities Owned as of December 31, 1964

U. S. GOVERNMENT BONDS

	Rate	Maturity	Par Value
FHA Mutual Mtge. Ins. Fund, Series AA...	2%	1981	\$ 6,600.00
FHA Mutual Mtge. Ins. Fund, Series AA...	2%	1982	2,000.00
FHA Mutual Mtge. Ins. Fund, Series AA...	3	1981	7,650.00
FHA Mutual Mtge. Ins. Fund, Series AA...	3 1/2	1983	7,000.00
FHA Mutual Mtge. Ins. Fund, Series AA...	3 3/4	1982	14,150.00
FHA Mutual Mtge. Ins. Fund, Series AA...	3 3/4	1984	7,200.00
FHA Mutual Mtge. Ins. Fund, Series AA...	3 3/4	1983	24,500.00
FHA Mutual Mtge. Ins. Fund, Series AA...	3 3/4	1984	12,700.00
FHA Mutual Mtge. Ins. Fund, Series AA...	4	1983	42,750.00
FHA Mutual Mtge. Ins. Fund, Series AA...	4 1/2	1983	22,500.00
FHA Mutual Mtge. Ins. Fund, Series AA...	4 1/2	1984	14,600.00
FHA Serviceman's Mortgage Insurance Fund	4 1/2	1983	11,500.00
United States Treasury	4	1980	25,000.00
United States Treasury	2 1/2	1972	75,000.00
United States Treasury Bonds of 1980	3 1/2	1980	6,000.00
United States Treasury Bonds of 1998	3 1/2	1998	50,000.00
United States Treasury C	2 1/2	1972	135,000.00
United States Treasury Bonds of 1965	2%	1965	25,000.00
Total U.S. Government Bonds			\$ 489,150.00

CANADIAN GOVERNMENT BONDS

	Rate	Maturity	Par Value
Dominion of Canada	2 3/4	1974	\$ 10,000.00
Government of Canada	2 3/4	1968	50,000.00
Government of Canada	3 1/4	1979	130,000.00
Government of Canada	3 3/4	1998	25,000.00
Total Canadian Government Bonds			\$ 215,000.00

CANADIAN PROVINCIAL BONDS

	Rate	Maturity	Par Value
Alberta Municipal Financing Corporation	5 1/2	1983	\$ 25,000.00
Province of British Columbia Deb.	3	1969	20,000.00
British Columbia Elec. Co., Ltd. 1st Mtg.	5 1/2	1988	25,000.00
British Columbia Elec. Co., Ltd. Series AA ..	4	1986	30,000.00
British Columbia Elec. Co., Ltd. Series AC ..	4 1/2	1986	25,000.00
British Columbia Power Comm. S.F.	5	1992	25,000.00
British Columbia Greater Nanaimo Sewer & Drainage Dist.	6	1975	25,000.00
British Columbia Sch. Dist. #39 (Vancouver) ..	5	1977	25,000.00
British Columbia Sch. Dist. #39 (Vancouver) ..	5	1972-80	50,000.00
British Columbia Sch. Dist. #61 (Victoria) ..	5	1975-76	25,000.00
Province of Manitoba Series 8G	5 3/4	1981	20,000.00
Province of Manitoba S.F. Deb.	4 1/2	1970	25,000.00
Manitoba Hydro-Electric Bd. Ser. IG	5	1977	25,000.00
Manitoba Hydro-Electric Series IP	5 1/2	1983	25,000.00
Manitoba Hydro-Electric Series IT	6	1982	50,000.00
Manitoba Telephone Commission Series IA ..	5 1/2	1982	25,000.00
Province of New Brunswick Deb.	4	1971	10,000.00
Province of Newfoundland S.F. Deb.	5 1/2	1983	25,000.00
Province of Ontario	4	1972	25,000.00
Province of Ontario	4	1972	10,000.00
Province of Ontario	4 1/2	1976	50,000.00
Province of Ontario	5	1979	50,000.00
Province of Ontario	5 1/2	1981	25,000.00
Ontario Hydro-Electric Power	3	1973	10,000.00
Ontario Hydro-Electric Power	3	1970	20,000.00
Ontario Hydro-Electric Power	3 1/2	1979	30,000.00
Ontario Hydro-Electric Power	3 1/2	1977	25,000.00
Ontario Hydro-Electric Power	4	1976	25,000.00
Ontario Hydro-Electric Power	4	1974	50,000.00
Ontario Hydro-Electric Power	4 1/2	1974	25,000.00
Ontario Hydro-Electric Power	4 3/4	1975	25,000.00
Ontario Hydro-Electric Power	5	1977	25,000.00
Ontario Hydro-Electric Power	4 3/4	1975	30,000.00
Ontario Hydro-Electric Power	5	1977	20,000.00
Ontario Hydro-Electric Power	4 1/2	1978	60,000.00
Ontario Hydro-Electric Power	5 1/2	1979	25,000.00
Ontario Hydro-Electric Power	5 1/2	1981	25,000.00
Ontario Hydro-Electric Power	4 3/4	1975	125,000.00
Province of Quebec	2 7/8	1971	30,000.00
Quebec Hydro-Electric Series AA	5 1/2	1983	50,000.00
Quebec Hydro-Electric Series AB	5 1/2	1985	25,000.00
Quebec Hydro-Electric Series AC	5 1/2	1985	70,000.00
Quebec Hydro-Electric Series AF	5 1/2	1984	25,000.00
Quebec Hydro-Electric Series AN	5 1/2	1984	25,000.00
Quebec Hydro-Electric Com. Sink. Fd. Deb. ..	6	1979	25,000.00
Province of Saskatchewan	5 3/4	1979	40,000.00
Province of Saskatchewan	5 1/2	1982	25,000.00
Total Canadian Provincial Bonds			\$1,475,000.00

U. S. STATE AND MUNICIPAL BONDS

	Rate	Maturity	Par Value
California:			
Carlsbad Municipal Water Dist., San Diego Co.	5	1991	\$ 25,000.00
Los Alisos Water District	5 1/2	1986	25,000.00
Midway City Sanitary Dist. Gen. Obl.	4 1/4	1983	10,000.00
Rainbow Mun. Water Dist., San Diego Co.	4 1/4	1980,84	15,000.00
Ramona, Municipal Water District	5	1976	25,000.00
Veterans' Bonds, Series CC	3/4	1988	50,000.00
Colorado:			
Cherokee Water District	5	1979	50,000.00
Florida:			
Titusville, Gul. Ref. Series A	4	1971	8,000.00
Kentucky:			
Highway Bond	3/8	1990	150,000.00
Louisiana:			
Jefferson Parish E. Bank Cons. Sew. Dist. ..	1/10	1992	100,000.00
Rapides Parish Pub. Improvement	1/10	1983	50,000.00
Maryland:			
Montgomery County Series I & O	1/10	1988	100,000.00
Wash. Suburban San. Dist. Series XXX	3	1981	15,000.00
Wash. Suburban San. Dist. Gen. Constr.	2 3/4	1985	25,000.00
Michigan:			
Clawson School District	3/8	1989	100,000.00
Coloma Community Schools	1/10	1990	60,000.00
Fremont Public Schools	3/8	1989	45,000.00
Kent County Sewer Dept.	1/20	1991-93	90,000.00
Macomb County Drainage Dist.	3/8	1992	150,000.00
Niles Pnt. School Distr. No. 60	1/10	1990	120,000.00
Oakland County Sch. Distr. #4	1/10	1989-90	140,000.00
Oakland County Sewage Disp. System	3/8	1992	150,000.00
Oakland Cty., Southfield Pub. Sch. Ser. II ..	1/8	1991	110,000.00
Port Huron School Bldg. and Site	1/10	1986	100,000.00
Royal Oak Sch. Bldg. & Site	3/8	1988	105,000.00
Wyoming Water System	3/8	2003	150,000.00
Minnesota:			
Babbitt, St. Louis Co., Ind. Sch. Dist. #83 ..	4.90	1973	25,000.00
Balaton School District #46	3.40	1970	10,000.00
Belgrade Nursing Home	4	1983-84	25,000.00
Belview Nursing Home	4	1987	25,000.00
Bloomington Improvement	3.80	1983	50,000.00
Bloomington School Distr. #271	3.90	1983-87	40,000.00
Bloomington School Distr. #271	3.90	1983-90	50,000.00
Bloomington School Distr. #271	3.80	1987	25,000.00
Bloomington Perm. Imp. Rev. Ed.	3.60	1981	50,000.00
Brooklyn Center Imp. Bd. Ser. 3	3	1979	30,000.00
Columbia Heights Ind. Sch. Dist. #65	3	1971-76	20,000.00
Crystal San. Sewer Improvement	3.30	1967	5,000.00
Douglas & Pope Cts. Jt. Ind. Sch. Dist. #42 ..	4.80	1977,78	15,000.00
Duluth Municipal Arena-Auditorium	1/10	1992,93	220,000.00
Hawley Improvement	3.80	1984-86	30,000.00
Hennepin Co. Com. Sch. Dist. #118	4.90	1972,73	30,000.00
Hennepin Co. Ind. Cons. Sch. Dist. #144 ..	3	1973-79	20,000.00
Hennepin Co. Ind. Sch. Dist. #12	3.20	1973-77	20,000.00
Hennepin Co. Meadowbrook Ind. Sch. Dist. #89	5	1981	10,000.00
Herman Jt. Ind. Cons. Sch. Dist. #3	3.90	1972-77	30,000.00
Long Prairie Ind. Cons. Sch. Dist. #11	3.80	1974	5,000.00
Long Prairie Ind. Cons. Sch. Dist. #11	3.90	1975	9,000.00
Mazeppa Jt. Ind. Sch. Dist. #50-141	3.70	1976	10,000.00
Olivia Water Aeration & Filter Plant	4	1974	5,000.00
Osseo Hen. Co. Ind. Sch. Dist. #279	4.80	1979-82	25,000.00
Osseo Ind. School Dist. #279	3.90	1990-91	50,000.00
Osseo Ind. School Dist. #279	3 3/4	1991	25,000.00
Osseo Ind. School Dist. #279	3 3/4	1993	9,000.00
Ramsey County Hospital Facility Ser. B	1/10	1992	60,000.00
Ramsey Co., Roseville Ind. Sch. Dist. #3 ..	4.2	1975	25,000.00
Ramsey Co., Roseville Ind. Sch. Dist. #3 ..	4.10	1971	5,000.00
Ramsey Co., Roseville Ind. Sch. Dist. #3 ..	4.20	1977,85	11,000.00
Richfield Ind. Sch. Dist. #280	4.70	1981	25,000.00
Robbinsdale Ind. Sch. Dist. #281	2	1987	50,000.00
St. Anthony G. O. Improvement	4.80	1974,75	10,000.00
Tonka Bay Sewer Impr. Series I	3.80	1982	65,000.00
Trimont Sewer	3 3/4	1984-89	20,000.00
Truman Sewer Improvement	3.70	1969,71	4,000.00
Truman Sewer Improvement	3.80	1972-75	20,000.00
Tyler Ind. School Dist. #409	2	1987-89	70,000.00
Verndale Sanitary Sewer Improvement	4.40	1976-80	40,000.00
Waterville Sanitary Sewer & Sewage Pl.	4.80	1974,75	9,000.00
Waterville Sanitary Sewer & Sewage Pl.	4.90	1982	15,000.00
Winthrop Sanitary Sewer Improvement	4	1972-76	30,000.00

	Rate	Maturity	Par Value
Mississippi:			
Bridge Revenue.....	5	1999	\$ 21,000.00
New York:			
Corporate Stock.....	4½	1972	25,000.00
Housing Auth. Dyckman Houses.....	3½	1978	15,000.00
Housing Auth. Pelham Parkway Houses.....	3½	1979	15,000.00
North Carolina:			
Charlotte, Sanitary Sewer Ser. A.....	1/10	1990	100,000.00
North Dakota:			
Grand Forks Refunding Improvement.....	4½	1976	25,000.00
Tennessee:			
Dyer County High School.....	3½	1975-76	15,000.00
Johnson County Gen. Obl. School.....	3½	1981	10,000.00
Madisonville Water & Sewer Imp.....	3½	2001	25,000.00
Shelby County School Bonds.....	1/10	1986	100,000.00
Texas:			
Edinburg, Junior College Dist. Sch. Bldg.....	3½	1968	10,000.00
Fort Worth Street Imp.....	1/10	1987	110,000.00
Washington:			
Bellevue Street Impr.....	1/10	1983-84	205,000.00
Total U.S. State and Munic. Bonds...			\$3,971,000.00

CANADIAN MUNICIPALS

	Rate	Maturity	Par Value
Burnaby, District of, British Columbia.....	5½	1972-76	\$ 25,000.00
Burnaby, District of, British Columbia.....	5½	1973-77	50,000.00
Prince Rupert, City of, British Columbia.....	6	1975-79	35,000.00
Quesnel, Town of, British Columbia.....	5½	1978-82	48,000.00
Revelstoke, City of, British Columbia.....	5½	1978-83	41,000.00
Saanich, District of, British Columbia.....	6	1966-70	27,000.00
Vancouver, British Columbia.....	6	1980	25,000.00
Vancouver, British Columbia Deb.....	5	1970	10,000.00
Vancouver, British Columbia Ser. Deb.....	5½	1970-79	33,000.00
Vancouver, British Columbia S.F. Deb.....	5½	1977	25,000.00
North Vancouver, City of, British Columbia.....	5½	1974-76	30,000.00
West Vancouver, District of, British Columbia.....	5½	1979-83	25,000.00
Brandon, City of, Manitoba Deb.....	5½	1965-68	32,000.00
Brandon, City of, Manitoba.....	5½	1975-79	40,000.00
Brandon, City of, Manitoba.....	6	1965-71	28,000.00
Brandon, City of, Manitoba.....	6	1969-70	26,000.00
Brandon, City of, Manitoba Local Imp. Deb.....	6	1973	32,000.00
Dauphin, Town of, Manitoba.....	6½	1966-70	32,000.00
East Kildonan, City of, Manitoba.....	5½	1967-72	30,000.00
Portage La Prairie, City of, Manitoba.....	5½	1972	26,000.00
St. Boniface, City of, Manitoba.....	5½	1974-83	50,000.00
Winnipeg, Manitoba.....	4½	1972	15,000.00
Winnipeg, Manitoba.....	3½	1966	50,000.00
Winnipeg, Manitoba.....	5½	1980-83	50,000.00
Winnipeg, Manitoba Debentures.....	5½	1967	25,000.00
Winnipeg, Manitoba Debentures.....	5½	1967	10,000.00
Winnipeg, Manitoba General Hospital Deb.....	5½	1968-72	50,000.00
Winnipeg, Manitoba Serial Debentures.....	5	1969-78	50,000.00
Cornerbrook, City of, Newfoundland.....	5½	1973-77	25,000.00
Halifax, Nova Scotia.....	4½	1971	10,000.00
Halifax, City of, Nova Scotia.....	5½	1975	25,000.00
Albion, Township of, Ontario.....	5½	1978-83	30,000.00
Ancaster, Township of, Ontario.....	6	1975-79	33,100.00
Ancaster, Township of, Ontario.....	5½	1975-81	34,000.00
Athens, Village of, Ontario.....	5½	1978-83	37,000.00
Augusta, Township of, Ontario.....	5½	1973-75	30,000.00
Aurora, Town of, Ontario.....	6½	1971-75	25,000.00
Aurora, Town of, Ontario.....	6	1969-75	25,000.00
Belleville, City of, Ontario.....	5½	1972	26,000.00
Bertie, Township of, Ontario.....	6	1966-72	30,000.00
Bertie, Township of, Ontario.....	6	1978-79	26,000.00
Bowmanville, Town of, Ontario.....	5½	1976-80	23,000.00
Burlington, Town of, Ontario.....	5½	1973-77	25,000.00
Chatham, City of, Ontario Pub. Sch. & Storm Sewer.....	6½	1965	29,000.00
Cobourg, Town of, Ontario.....	5½	1972-74	31,000.00
Cornwall, City of, Ontario.....	6	1971-75	50,000.00
Cornwall, City of, Ontario.....	6	1972-81	23,000.00
Cornwall, City of, Ontario.....	6	1971	49,908.37
Cornwall, City of, Ontario Deb.....	5½	1965-68	20,000.00
Cornwall, City of, Ontario.....	6	1968-72	29,000.00
Cornwall, City of, Ontario.....	6	1968-72	8,000.00
Cornwall, City of, Ontario.....	5½	1968-72	25,000.00
Crosby South, Township of, Ontario.....	6½	1973	22,000.00
Crowland, Township of, Ontario.....	5½	1967-68	31,000.00
Darlington, Township of, Ontario.....	5½	1977-83	27,000.00
Dundas, Town of, Ontario.....	6	1968-75	35,000.00
Dunnville, Town of, Ontario.....	5½	1974-78	40,900.00
Elizabethtown, Township of, Ontario.....	5½	1979-83	43,000.00
Erin, Village of, Ontario.....	5½	1973-76	38,000.00
Fort Erie, Town of, Ontario.....	6½	1968-72	32,200.00
Fort William, Ontario.....	6	1978-79	25,000.00
Fort William, City of, Ontario.....	5½	1968-72	25,000.00
Georgetown, Town of, Ontario.....	6½	1973-76	30,000.00
Grantham, Township of, Ontario.....	6½	1968-69	27,000.00
Grantham, Township of, Ontario.....	6½	1966-70	25,000.00
Grey County, Ontario.....	6½	1965-69	50,000.00
Haldimand County, Ontario.....	5	1969-78	25,000.00
Haldimand, County of, Ontario.....	6	1974-78	50,000.00
Halton County, Ontario.....	5½	1971-78	35,000.00
Halton County, Ontario.....	6	1975-79	50,000.00
Halton County, Ontario.....	6	1975-79	50,000.00

	Rate	Maturity	Par Value
Halton, County of, Ontario.....	5½	1972-76	31,000.00
Hamilton, City of, Ontario.....	6	1973-80	35,000.00
Hamilton, City of, Ontario.....	6½	1966-73	15,000.00
Hamilton, City of, Ontario.....	5½	1972-74	25,000.00
Hamilton, City of, Ontario.....	5½	1977-81	32,000.00
Hamilton, City of, Ontario Debentures.....	5	1969-78	25,000.00
Hamilton, City of, Ontario S.F. Deb.....	5½	1977	40,000.00
Hamilton, City of, Ontario S.F. Deb.....	5½	1971	10,000.00
Hastings, County of, Ontario.....	6	1965-69	45,000.00
Kingston, City of, Ontario.....	5½	1975-79	25,000.00
Kingston, Township of, Ontario.....	6	1970-74	24,000.00
Kitchener, City of, Ontario.....	5	1965-68	20,000.00
Kitchener, City of, Ontario.....	5½	1967-71	25,000.00
Kitchener, City of, Ontario.....	5½	1967-71	25,000.00
Lambton County, Ontario.....	6½	1979	50,000.00
Lambton County, Ontario.....	5½	1977-81	41,000.00
Markham, Village of, Ontario.....	5½	1980-84	55,000.00
Markham, Township of, Ontario.....	5½	1977-81	31,600.00
Markham, Township of, Ontario.....	6½	1978-82	25,000.00
Metropolitan Toronto, Ontario Deb.....	5	1972	10,000.00
Municipality of Met. Toronto, Ontario.....	5½	1981	25,000.00
Municipality of Met. Toronto.....	5½	1982	25,000.00
Municipality of Met. Toronto.....	5½	1982	50,000.00
Municipality of Met. Tor., Ont., Ins. Deb.....	3½	1973	25,000.00
Municipality of Met. Tor., Ont., S.F. Deb.....	3½	1975	10,000.00
Municipality of Met. Tor., Ont., S.F. Deb.....	3½	1985	15,000.00
Municipality of Met. Toronto, Ont., Deb.....	3½	1975	25,000.00
Municipality of Met. Toronto, Ont., Deb.....	4½	1976	25,000.00
Municipality of Met. Tor., Ont., S.F. Deb.....	5	1977	75,000.00
Municipality of Met. Tor., Ont., S.F. Deb.....	4½	1978	50,000.00
Municipality of Met. Toronto, S.F. Deb.....	6	1979	25,000.00
Nepean, Township of, Ontario.....	6	1966-71	40,000.00
Niagara Falls, City of, Ontario.....	5½	1973-82	25,000.00
Norfolk County, Ontario Deb.....	5½	1964-77	13,000.00
Nottawasaga, Township of, Ontario.....	6	1978	30,000.00
Oakville, Town of, Ontario.....	6	1968-70	34,000.00
Oakville, Town of, Ontario.....	5½	1969-73	25,000.00
Oakville, Town of, Ontario Deb.....	6	1967-73	25,000.00
Oakville, Town of, Ontario Deb.....	5½	1968-78	16,000.00
Orillia, Town of, Ontario.....	5½	1972	26,000.00
Orillia, Town of, Ontario.....	5½	1973-76	20,000.00
Orillia, Town of, Ontario Deb.....	5½	1972-76	25,000.00
Oshawa, City of, Ontario.....	5½	1970-79	30,000.00
Oshawa, City of, Ontario.....	5½	1965	16,000.00
Oshawa, City of, Ontario Deb.....	5½	1965-67	6,000.00
Ottawa, Ontario.....	5½	1980-84	50,000.00
Paris, Town of, Ontario.....	5½	1972-81	32,000.00
Penetanguishene, Town of, Ontario.....	6	1974-75	41,000.00
Peterborough, City of, Ontario.....	5½	1964-68	30,000.00
Peterborough, City of, Ontario.....	6½	1966-68	30,000.00
Peterborough, City of, Ontario.....	5½	1969	61,000.00
Pickering, Township of, Ontario.....	5½	1967-72	39,000.00
Pickering, Township of, Ontario.....	6	1973-77	32,000.00
Pickering, Township of, Ontario.....	5½	1977-82	32,000.00
Port Arthur, City of, Ontario.....	5½	1969-73	40,000.00
Port Arthur, City of, Ontario.....	5½	1970-77	36,000.00
Port Arthur, City of, Ontario.....	5½	1970-74	25,000.00
Port Hope, Town of, Ontario.....	6	1967-76	37,900.00
Preston, Town of, Ontario.....	6½	1966-69	25,000.00
Renfrew, County of, Ontario.....	6	1973	20,000.00
Richmond Hill, Town of, Ontario.....	5½	1975-79	44,000.00
St. Catherine, City of, Ontario.....	5½	1977	25,000.00
Sandwich East, Township of, Ontario.....	6	1969-71	27,000.00
Sandwich East, Township of, Ontario.....	5½	1969-71	30,000.00
Sarnia, City of, Ontario.....	6½	1968-69	25,000.00
Sarnia, City of, Ontario.....	5½	1969-70	40,000.00
Sault Ste. Marie, City of, Ontario.....	5	1974-78	25,000.00
Smith's Falls, Town of, Ontario.....	6	1967-70	35,600.00
Smith's Falls, Town of, Ontario.....	6	1966-71	28,800.00
Smith's Falls, Town of, Ontario.....	6	1968-72	38,800.00
Stamford, Township of, Ontario.....	5½	1969-73	25,000.00
Stamford, Township of, Ontario.....	5½	1966-71	38,000.00
Stamford, Township of, Ontario Deb.....	5½	1970-78	25,000.00
Stamford, Township of, Ontario.....	6½	1970-79	25,000.00
Stratford, City of, Ontario.....	5½	1965-73	28,000.00
Stratford, City of, Ontario Deb.....	5½	1975-78	25,000.00
Sudbury, City of, Ontario.....	5½	1966-70	50,000.00
Sudbury, City of, Ontario.....	5½	1973-77	25,000.00
Toronto, Township of, Ontario Deb.....	5½	1969-78	25,000.00
Toronto, Township of, Ontario Deb.....	5½	1969-78	50,000.00
Toronto, Township of, Ontario.....	5½	1968-72	25,000.00
Trafalgar, Township of, Ontario.....	6½	1971-75	25,000.00
Trafalgar, Township of, Ontario.....	6½	1968-77	50,000.00
Trafalgar, Township of, Ontario Deb.....	6	1965-78	24,000.00
Trenton, Town of, Ontario.....	6	1966-70	43,300.00
Trenton, Town of, Ontario Ser. Deb.....	4	1965-68	20,000.00
Vaughan, Township of, Ontario.....	6½	1970-78	50,000.00
Vaughan, Township of, Ontario.....	6	1974-81	32,000.00
Vaughan, Township of, Ontario.....	5½	1977-81	40,000.00
Vaughan, Township of, Ontario.....	5½	1974-78	50,000.00
Waterloo, City of, Ontario Deb.....	5½	1965-66	4,000.00
Welland, City of, Ontario.....	5½	1977-84	33,000.00
Welland, County of, Ontario.....	6½	1965-68	25,000.00
Welland, City of, Ontario Debentures.....	6	1970-74	25,500.00
Welland, City of, Ontario Deb. Ser. C-1.....	6	1973-75	3,500.00
Wentworth County, Ontario.....	5½	1967-69	30,000.00
Wentworth County, Ontario.....	5½	1967-68	24,000.00
Wentworth County, Ontario.....	5½	1977-81	25,000.00
Windsor, City of, Ontario Ser. Deb.....	5½	1970-77	22,000.00
York County, Ontario.....	6	1969	25,000.00
York County, Ontario.....	6	1973-77	25,000.00

	Rate	Maturity	Par Value
Granby, City of, Quebec.....	5¾	1975-76	\$ 44,000.00
LaSalle, City of, Quebec (Jacques-Cartier).....	5¾	1978	25,000.00
Montreal Metropolitan Corporation, Quebec.....	5½	1969-78	25,000.00
Montreal, Quebec Ser. Deb.....	4	1974	10,000.00
Montreal, Quebec S.F. Deb.....	5½	1977	50,000.00
Montreal, Quebec Sinking Fund Deb.....	5½	1979	25,000.00
Montreal, Quebec S.F. Deb. Series B.....	6	1979	50,000.00
Montreal, City of, Quebec.....	5¼	1981-88	63,000.00
Montreal, City of, Quebec.....	5¾	1989	25,000.00
Montreal, Quebec, Trans. Com. S.F. Deb.....	4¼	1973	20,000.00
Estevan, City of, Saskatchewan.....	5¾	1975-81	23,500.00
Moose Jaw, City of, Saskatchewan.....	5¾	1978	34,000.00
Regina, City of, Saskatchewan.....	5¾	1976	50,000.00
Regina, City of, Saskatchewan Deb.....	5¾	1978	25,000.00
Regina, City of, Saskatchewan S.F. Deb.....	5	1978	35,000.00
Saskatoon, Saskatchewan.....	5½	1978-87	25,000.00
Weyburn, City of, Saskatchewan.....	6¼	1966-70	36,000.00
Weyburn, City of, Saskatchewan.....	6	1969-71	35,000.00
Total Canadian Municipal Bonds.....			\$5,893,608.37

REVENUE BONDS

	Rate	Maturity	Par Value
Alabama:			
Brookside Waterworks Board.....	5	1993-95	\$ 43,000.00
Camp Hill Utility Board.....	5	1995-96	41,000.00
Cherokee Waterworks Supply Board.....	4¾	1990-94	43,000.00
Cullman Jefferson Cos. Gas Dist. 1st Mtge.....	5	1990	25,000.00
DeKalb-Cherokee Cos. Gas Dist. 1st Mtge.....	5	1990	50,000.00
East Central Gas Dist. Nat. Gas Rev.....	5¼	1990	25,000.00
Oneonta 1st Mtge. Nat. Gas Rev. Ser. A.....	4	1973-76	14,000.00
Russellville Gas Board.....	4½	1965-74	50,000.00
Section 1st Mtge. Waterworks Board.....	5½	1992	35,000.00
Sheffield Sewer, Water & Gas.....	1/10	1994	60,000.00
Arkansas:			
Mena Gas Trans. & Dist. Sys. Rev. Cons.....	3¾	1970	25,000.00
California:			
Toll Bridge Auth. Richmond-San			
Rafael Br. Rev.....	3¾	1992	10,000.00
Fresno Airport Rev. Bond Ser. A.....	5¼	1977-79	25,000.00
Imperial County Irr. Dist. Elec. Rev.....	3	1972	10,000.00
Lemoore Tropical Gardens Street Imp.....	6	1965-77	38,819.24
Ukiah Sewer Revenue.....	4¾	1981-82	15,000.00
Florida:			
Clearwater.....	1	1989	55,000.00
Cocoa Sewer Revenue.....	5	1983,86	25,000.00
Jacksonville Expressway Auth.....	4	1992	50,000.00
Key West Elec.....	4	1994	30,000.00
Lake Apopka Nat. Gas Dist.....	5¼	1980	25,000.00
Lake Wales Water Rev. and Impr.....	1	1999	75,000.00
Palatka Nat. Gas Sys. Rev. Ctf.....	5¾	1989	25,000.00
St. Petersburg Util. Tax Cert.....	1/10	1983	50,000.00
Tallahassee Mun. Electric Rev.....	1/10	1990	100,000.00
Georgia:			
Cochran Nat. Gas Rev. Antic. Ctf.....	4½	1971	10,000.00
Gainsville Water & Elec. Rev.....	1/10	1998	180,000.00
Hawkinsville Nat. Gas Rev. Antic. Ctf.....	4½	1971	10,000.00
Houston County Water Rev.....	5½	1983-84	25,000.00
Jefferson Nat. Gas Rev. Antic. Ctf.....	3½	1966-70	9,000.00
Talbotton Nat. Gas Rev. Antic. Ctf.....	3½	1974,80	10,000.00
Warner Robins Nat. Gas Rev. Ant. Ctf. A.....	4¾	1970	10,000.00
Illinois:			
Chicago-O'Hare International Airport.....	4¾	1999	20,000.00
Chicago Transit Auth. Rev. of 1952.....	4½	1982	23,000.00
Clay City Gas Utility Ref.....	5¼	1980-82	30,000.00
Toll Highway Commission.....	4¾	1998	50,000.00
Kentucky:			
Turnpike Auth. Toll Rev.....	4.10	2002	25,000.00
Whitesburg Water Revenue.....	3½	1965,69	10,000.00
Louisiana:			
Greater Livingston Water Company.....	4½	1997	25,000.00
Monroe Water and Electric Rev.....	2¾	1977	20,000.00
Massachusetts:			
Port Authority Rev. Ser. A.....	4¾	1998	10,000.00
Minnesota:			
Elbow Lake Hospital District.....	4.60	1975-77	25,000.00
Mpls. Sports Area Revenue Series D.....	2½	1989	20,000.00
State College Board Ser. D.....	3½	2000	50,000.00
Proctor L.S. Rev. Ctf.....	4½	1967-68	10,000.00
Warren Municipal Gas Revenue.....	4.90	1976,81,83	29,000.00
Missouri:			
St. Louis Water Revenue.....	1/10	1993	65,000.00
Montana:			
State Bd. Ed. Northern Montana College.....	4	1975-76	20,000.00
State Bd. Ed. No. Montana Col. Ser. B.....	4.70	1980-83	35,000.00
New York:			
State Dorm. Auth. State Univ. Ser. A.....	1/10	1994	50,000.00
State Dorm. Auth. State Univ.....	1/10	1994	150,000.00
State Dorm. Auth. Ithaca Col. Ser. A.....	1/10	1994	200,000.00
State Dorm. Auth. Ithaca College.....	1/10	1994	100,000.00
State Dorm. Auth. Skidmore Col. Ser. A.....	1/10	1994	185,000.00
Power Auth. Gen. Rev. Ser. F.....	4.20	2006	25,000.00
North Carolina:			
Spray Water & Sewer.....	4½	1970	20,000.00
South Carolina:			
Clinton-Newberry Nat. Gas Sys. Rev.....	3½	1966,72	25,000.00

	Rate	Maturity	Par Value
Tennessee:			
Blommingdale Util. Dist. Sullivan Co.....	5	1976	\$ 20,000.00
Cumberland Utility Distr.....	5½	1984-85	25,000.00
Dayton Waterworks, Sewer Rev. & Tax.....	4½	1982-83	22,000.00
Dickson Natural Gas System Revenue.....	3¾	1969	10,000.00
Hallsdale-Powell Util. Dist. San. Sewer.....	4.60	1993	25,000.00
Jacksonboro Util. Dist. Campbell Co. W.W.....	4½	1988-90-91	27,000.00
Jefferson & Cocke Cos. Nat. Gas Sys. Rev.....	5½	1973	25,000.00
Luttwell-Blaine-Corryton Util. Distr.....	5¼	1995-96	40,000.00
Memphis Elec. Lt. Plant Rev. Ser. A.....	4.40	1992	10,000.00
Middle Tenn. Util. Dist. Nat. Gas			
Rev. Ser. C.....	5½	1988	25,000.00
North Anderson County Util. Distr.....	4¾	2004	30,000.00
Woodlawn Util. Distr. Montgomery Co.....	4¾	1990-92	33,000.00
Woodlawn Util. Distr. Montgomery Co.....	4¾	1992-94	25,000.00
Texas:			
Houston Airport System Rev.....	1/10	1995	200,000.00
Utah:			
Ogden Water System Revenue.....	1/10	1990	115,000.00
Ogden, Weber Co., Sewer System.....	1	1992	45,000.00
Washington:			
Chelan County Public Util. Dist. 1.....	5	2013	44,000.00
Clark County Pub. Util. Dist. No. 1.....	1/10	1988	30,000.00
Grant Co. Pub. Util. Dist. No. 2.....	4¾	2000	15,000.00
Grant Co. Utility Distr. No. 2.....	3.80	1998	20,000.00
Toll Br. Auth. Rev. Second Lake, Wash.....	4.90	2000	25,000.00
West Virginia:			
Park Development Rev.....	4	1980	14,000.00
Wisconsin:			
Bloomer Munic. Hospital Mtge. Rev.....	5	1976	25,000.00
Boyceville Sew. Sys. Mtge. Rev.....	4½	1972-77	17,000.00
Kronnenwetter Sanitary Distr. No. 1.....	4¼	1977-80	29,000.00
Total Revenue Bonds.....			\$3,366,819.24

RAILROAD BONDS

	Rate	Maturity	Par Value
Chesapeake & Ohio Ref. & Imp. Mtge. Ser. H.....	3¾	1973	\$ 10,000.00
Chicago, Burling. & Quincy 1st & Ref. Mtge.....	2¾	1970	5,000.00
Chicago Union Station Co. First Mtge. S.F.....	4½	1988	50,000.00
Minneapolis & St. Louis R.R. Co. 1st Mtge.....	6	1985	82,500.00
Northern Pacific, Gen. Lien & Land Grant.....	3	2047	5,000.00
Pennsylvania General Mtge. Series F.....	3½	1985	9,000.00
Southern Pacific Company Forty Year.....	4½	1969	20,000.00
Southern Pacific First Mtge. Series E.....	2¾	1986	10,000.00
Texas & Pacific Gen. Ref. Mtge. Series E.....	3¾	1985	29,000.00
Union Pacific Ref. Mtge. Series C.....	2½	1991	50,000.00
Total Railroad Bonds.....			\$ 270,500.00

PUBLIC UTILITY BONDS

	Rate	Maturity	Par Value
American Tel. & Tel. Co. 40 Yr. Deb.....	2¾	1986	\$ 10,000.00
American Tel. & Tel. Co. 35 Yr. Deb.....	2¾	1980	20,000.00
American Tel. & Tel. Co. 28 Yr. Deb.....	4¾	1985	10,000.00
Central Maine Power Co. 1st & Gen'l.			
Mtge. Ser. X.....	5¼	1990	50,000.00
Coastal States Gas Pro. Co. 1st Mtge. Ser. A.....	5	1983	25,000.00
Columbia Gas System, Inc. Series I.....	5	1982	38,000.00
Columbia Gas System, Inc. Deb. Ser. O.....	5½	1985	45,000.00
Con. Edison N.Y. 1st & Ref. Mtge. Ser. A.....	2¾	1982	55,000.00
Con. Edison Co. of N.Y. 1st & Ref. Mtge. S.....	5	1990	15,000.00
Consolidated Natural Gas Company.....	4¾	1983	50,000.00
General Telephone Co. of Indiana 1st Mtge.....	3	1975	10,000.00
Georgia Power Company, First Mortgage.....	5¾	1989	5,000.00
Idaho Power Company 1st Mortgage.....	4¾	1990	25,000.00
Illinois Bell Tel. Co. 1st Mtge. Series A.....	2¾	1981	10,000.00
Jersey Central Power & Light Co. 1st Mtge.....	5	1987	25,000.00
Michigan Consolidated Gas Co. 1st Mtge.....	5½	1986	47,000.00
Michigan-Wisconsin Pipe Line Co. 1st Mtge.....	5½	1981	25,000.00
Montana-Dakota Utilities Co. First Mtge.....	5½	1983	25,000.00
Mountain States Tel. & Tel. Co. 40 Yr. Deb.....	2¾	1986	35,000.00
Natural Gas Pipeline Company of America.....	4¾	1978	46,000.00
Natural Gas Pipeline Co. of Amer. 1st Mtge.....	4½	1979	13,000.00
New York Telephone Co. Ref. Mtge. Ser. D.....	2¾	1982	25,000.00
Northern Natural Gas Co. S.F. Debenture.....	4½	1976	10,000.00
Northern Natural Gas Co. S.F. Debenture.....	4¾	1980	52,000.00
Northern States P. Co. of Minn. 1st Mtge.....	2¾	1975	40,000.00
Northern States Power 1st Mtge.....	5	1990	55,000.00
Northwest Natural Gas Co. 1st Mtge.....	5½	1984	24,000.00
Otter Tail Power Co. First Mortgage.....	4¾	1988	50,000.00
Otter Tail Power Co. First Mortgage.....	4¾	1991	20,000.00
Pacific Gas & Electric Co. 1st & Ref.			
Mtge. Ser. EE.....	5	1991	25,000.00
Pacific Gas & Electric Co. 1st & Ref.			
Mtge. Ser. L.....	3	1974	27,000.00
Pacific Tel. & Tel. Co. 40 Yr. Deb.....	2¾	1985	30,000.00
Pacific Tel. & Tel. Co. 40 Yr. Deb.....	2¾	1986	20,000.00
Philadelphia Elec. Co. 1st & Ref. Mtge.....	2¾	1974	10,000.00
Potomac Electric Power Co. 1st Mtge.....	3	1983	25,000.00
Public Service Elec. & Gas Co. 1st & Ref.			
Mtge. NJ.....	4¾	1988	25,000.00
St. Joseph Light & Power Co. 1st Mtge.....	5	1989	25,000.00
Southern Bell Tel. & Tel. Co. 40 Yr. Deb.....	2¾	1985	30,000.00
So. Calif. Edison Co. 1st & Ref. Mtge. Ser. A.....	3½	1973	25,000.00
So. Calif. Edison Co. 1st & Ref. Mtge. Ser. K.....	4½	1983	50,000.00
Tennessee Gas Transmission Company.....	6	1977	16,000.00
Tennessee Gas Transmission Company.....	5	1978	19,000.00
Tennessee Gas Transmission Company.....	5½	1981	24,000.00

	Rate	Maturity	Par Value
Tennessee Gas Transmission Company.....	5	1982	\$ 25,000.00
Tennessee Gas Trans. Co. 1st Mtge. Pipeline. 3½	1975	25,000.00	
Tennessee Gas Trans. Co. 1st Mtge. Pipeline. 5¼	1977	19,000.00	
Tennessee Gas Trans. Co. 1st Mtge. Pipeline. 5¾	1979	21,000.00	
Tennessee Gas Trans. Co. 1st Mtge. Pipeline. 4¾	1983	50,000.00	
Texas East. Trans. Corp. 1st Mtge. Pipeline. 5¾	1977	20,000.00	
Texas East. Trans. Corp. 1st Mtge. Pipeline. 4¾	1978	21,000.00	
Texas East. Trans. Corp. 1st Mtge. Pipeline. 4¾	1979	22,000.00	
Texas East. Trans. Corp. 1st Mtge. Pipeline. 4¾	1981	24,000.00	
Texas Electric Service Company 1st Mtge.....	2½	1975	25,000.00
Texas Gas Transmission Corporation.....	5	1982	25,000.00
Texas Power & Light Co. S.F. Debenture.....	3¼	1973	9,000.00
Transcont. Gas Pipeline Corp. 1st Mtge.....	4¾	1978	50,000.00
Transcont. Gas Pipeline Corp.....	4¾	1982	25,000.00
Transcont. Gas Pipeline Corp. 1st Mtge.....	5	1979	24,000.00
Transcont. Gas Pipeline Corporation.....	6½	1978	18,000.00
Transcont. Gas Pipeline Corp. 1st Mtge.....	5	1981	48,000.00
Western Union Telegraph Company.....	5	1992	50,000.00
Western Union Telegraph Company.....	5¼	1987	25,000.00
Wisconsin Electric Power Co. 1st Mtge.....	2½	1976	25,000.00
Wisconsin Electric Power Co. 1st Mtge.....	5	1990	25,000.00
Total Public Utility Bonds.....			\$1,787,000.00

INDUSTRIAL AND MISCELLANEOUS BONDS

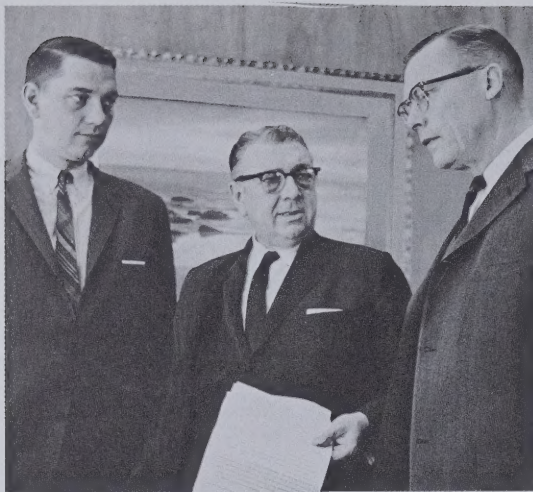
	Rate	Maturity	Par Value
Aldens, Inc. Sinking Fund.....	5¾	1981	\$ 25,000.00
American Cement Corporation S.F. Deb.....	5	1978	24,000.00
American Tobacco Co. 25 Yr. Debenture.....	3¼	1977	9,000.00
Associates Investment Co., Senior Deb.....	5¼	1979	20,000.00
Associates Investment Co., Senior Deb.....	5¼	1977	11,000.00
Associates Investment Co., Sub. Deb.....	5¾	1977	14,000.00
Atlas Credit Corporation.....	5¾	1984	35,000.00
Beneficial Finance Co. Twenty Year Deb.....	5	1977	35,000.00
Burroughs Corporation S.F. Deb.....	4¾	1983	25,000.00
C.I.T. Financial Corp., Debenture.....	4¾	1979	25,000.00
C.I.T. Financial Corp., Serial Deb.....	4¾	1969	25,000.00
Celanese Corporation of America Deb.....	3½	1976	15,000.00
Chicago Luth. Hosp. Ass'n. 1st Mtge. Ser. A. Walther Mem.....	5.40	1977	50,000.00
Church of Holy Cross, Mpls., Minn. 1st Ref. Mtge.....	4	1967	5,000.00

	Rate	Maturity	Par Value
Church of the Sacred Heart, St. Paul, Minn. 1st Mtge.....	3¾	1965	\$ 3,500.00
Church of St. Char. Borromeo, Minn. 1st Mtge. Ser. A.....	3¾	1967	15,000.00
Commercial Credit Company.....	4¾	1980	50,000.00
Commercial Credit Company.....	5	1977	25,000.00
John Deere Credit Company Series B.....	4¾	1981	25,000.00
John Deere Credit Company Deb. Series A.....	4¾	1985	25,000.00
Doughboy Industries, Inc. Cov. Sub. Deb.....	5½	1977	25,000.00
The Garrett Corporation.....	5¾	1982	25,000.00
General Acceptance Corp. Sr. Deb.....	6	1980	44,000.00
General Acceptance Corp. Sr. Deb.....	5½	1976	50,000.00
General Acceptance Corp. St. Deb.....	4¾	1983	50,000.00
General Motors Accept. Corp. 17 Yr. Deb.....	3½	1972	20,000.00
General Motors Accept. Corp. Deb.....	5	1977	50,000.00
General Motors Accept. Corp. 21 Yr. Deb.....	5	1980	25,000.00
General Telephone & Electronics Corp.....	4¾	1987	40,000.00
General Telephone & Electronics Corp. S.F.....	4¾	1988	50,000.00
W. T. Grant Company Sinking Fund Deb.....	4¾	1987	25,000.00
Household Finance Corp., S.F. Deb.....	4¾	1984	24,000.00
Household Finance Corporation Deb.....	4¾	1981	25,000.00
Industrial Credit Company Senior Note.....	5½	1973	90,000.00
International Tel. & Tel. Corp. S.F. Deb.....	4.90	1987	50,000.00
Interstate Oil Pipe Line Co. S.F. Deb. Ser. A.....	3¼	1977	10,000.00
Lehigh Portland Cement Co. S.F. Deb.....	4¾	1979	24,000.00
Merritt-Chapman & Scott Corp. Conv. Sub. Deb.....	5	1975	25,000.00
National Tea Company S.F. Debentures.....	5	1977	11,000.00
Philip Morris, Inc., Sinking Fund Deb.....	4¾	1979	25,000.00
G. T. Schjeldahl Company.....	5½	1971	25,000.00
Sears Roebuck Acceptance Corp. Sub. Deb.....	4¾	1977	10,000.00
Sears Roebuck Acceptance Corp. Deb.....	5	1982	25,000.00
Sperry Rand Corp. S.F. Deb. XW.....	5½	1982	47,000.00
Standard Oil Co. of New Jersey 25 Yr. Deb.....	2¾	1974	30,000.00
Sylvania Electric Products, Inc. S.F. Deb.....	4	1978	17,000.00
Sylvania Electric Products, Inc. S.F. Deb.....	4¾	1980	24,000.00
Sylvania Electric Products, Inc. S.F. Deb.....	5½	1984	42,000.00
James Talcott, Incorporated Sr. Note.....	5½	1979	25,000.00
James Talcott, Incorporated Sr. Note.....	5½	1980	15,000.00
Thompson Ramo Wooldridge, Inc. 25 Yr. Deb.....	5¼	1986	25,000.00
Victor Comptometer Corp. S.F. Deb.....	4¾	1988	50,000.00
Total Industrial & Misc. Bonds			\$1,484,500.00

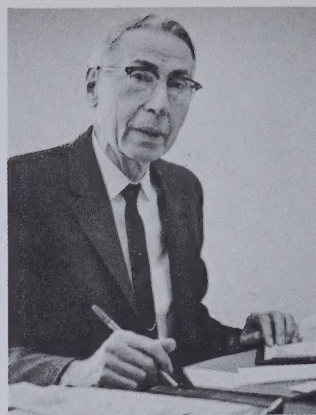
Stocks

Common Stocks:	No. of Shares
Aetna Life Insurance Company.....	250
American National Insurance Company.....	2,000
American Telephone and Telegraph Company.....	660
Bankers Trust Company.....	445
Banlife Corporation.....	462
California-Western States Life Insurance Company.....	1,100
Chase Manhattan Bank.....	397
Citizens Park Agency, Incorporated.....	149
Citizens State Bank of St. Louis Park, Minnesota.....	267
Connecticut General Life Insurance Company.....	100
Continental Illinois National Bank and Trust Company.....	664
Fireman's Fund Insurance Company.....	500
First Bankstock Corporation.....	1,148
First National Bank of New York.....	275
First Pennsylvania Banking and Trust Company.....	500
Ford Motor Company.....	600
General Motors Company.....	200
General Public Utilities Company.....	2,294
Great Southern Life Insurance Company.....	100
Gulf Oil Corporation.....	1,000
Home Protective Company.....	180
Investors Diversified Class A.....	3,710
Investors Mutual Incorporated.....	600
Investors Selective Fund, Incorporated.....	500
Investors Stock Fund, Incorporated.....	602
Iowa Electric Light and Power Company.....	500
Kansas City Life Insurance Company.....	10
Kansas Power and Light Company.....	500
Liberty Life Insurance Company.....	700
Loyal Protective Life Insurance Company.....	30
M S L Industries.....	5,300
Manufacturers Hanover Trust Company.....	630
Marquette National Bank.....	70
Midwest Life Insurance Company.....	400
Minneapolis Gas Company.....	338
Minnesota Ontario Paper.....	500
Monumental Life Insurance Company.....	250
National Bank of Detroit.....	530
Northwest Bancorporation.....	1,050
Northwestern National Insurance Company.....	1,148
Northwestern National Life Insurance Company.....	1,000
Ohio State Life Insurance Company.....	1,182
Ottetail Power Company.....	800
Pacific Power and Light Company.....	1,275
Pittsburgh National Bank.....	500
Protective Life Insurance Company.....	1,320
Provident Life and Accident Insurance Company.....	300
Provident Life Insurance Company.....	303
Reliance Insurance Company.....	348

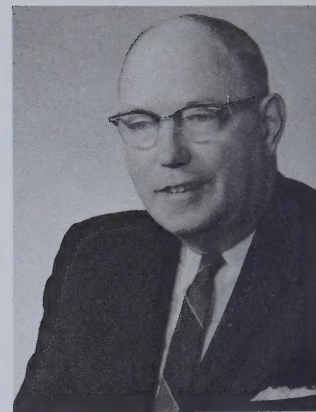
	No. of Shares
Research, Incorporated.....	5,500
Richfield State (Bank) Agency, Inc.....	518
Richfield State Bank, Minnesota.....	90
Southern California Edison Company.....	400
Standard Oil of California.....	315
Travelers Insurance Company.....	400
Victory Life Insurance Company.....	200
Washington National Insurance Company.....	1,600
Western States Life Insurance Company.....	466¾
Wisconsin National Life Insurance Company.....	624
Preferred Stocks:	No. of Shares
Atchison, Topeka and Santa Fe 5% Non Cum.....	1,000
Central Telephone Company 4.96% Cum.....	800
The Dayton Company Class B 6% Cum.....	100
Gamble Skogmo \$1.75 Cum.....	1,500
General Telephone Company of California 5% Cum.....	2,000
General Telephone Company of Florida \$1.25 Cum.....	500
General Telephone Company of Illinois \$2.375 Cum.....	150
General Telephone Company of Michigan 2.40% Cum.....	700
General Telephone Company of Ohio \$1.15 Cum.....	2,000
General Telephone Company of the Southwest 5.10% Cum.....	1,200
General Telephone Company of the Southwest \$2.20 Cum.....	200
Genesco Incorporated 4.50% Conv.....	250
International Milling Company, Incorporated 4%.....	300
Middle States Telephone Company of Illinois 5% Cum.....	500
Montana Dakota Utilities Company 4.70% Cum.....	157
Montana Dakota Utilities Company 4.50% Cum.....	436
Natural Gas Pipeline of America 5.75% Cum.....	100
Northern Natural Gas Company 5.60% Cum.....	150
Northern Natural Gas Company 5.50% Cum.....	100
Northwest Natural Gas Company 4.75%.....	200
Ottetail Power Company 3.60% Cum.....	505
Pacific Power and Light Company 4.72%.....	250
Panhandle Eastern Pipeline Company 5.64% Cum.....	200
Public Service Electric and Gas Company 5.28% Cum.....	200
Puget Sound Power and Light Company 4.70% Cum.....	300
Puget Sound Power and Light Company 4.84% Cum.....	200
Richfield State Bank 5% Cum.....	45
Tennessee Gas Transmission 5.24%.....	100
Tennessee Gas Transmission 5.08%.....	150
Texas Eastern Transmission Company 5.52% Cum.....	150
Texas Gas Transmission Corporation 5.25% Cum. Conv. Sec.....	50
Transcontinental Gas Pipeline 5.60% Cum.....	125
Transcontinental Gas Pipeline 5.25% Cum.....	200
Union Electric Company \$4.56.....	250
Utah Power and Light Company \$1.18 Cum. B.....	750



From left, John C. Skoglund, Director,
H. P. Skoglund, Chairman
and J. E. Scholefield, Director.



F. J. Huch, Director



Cyrus Hoigaard, Director



M. O. Weiby, Director



T. O. Peterson, Director



From left, Directors P. J. Sundberg,
R. N. Gesme and B. H. Odell.

Home Office Organization

H. P. SKOGLUND
*Chairman of the Board
and President*
J. E. SCHOLEFIELD, C.L.U.
Senior Vice President
WELDEN S. INGVALDSON
Treasurer
JOHN C. SKOGLUND
*Vice President
Canadian Operations*
RALPH I. OASHEIM
Vice President-Controller
I. W. KIMMERLE
Secretary
WILSON SCOTT
Actuary
DR. DONALD G. BOHN
Medical Director
WARD H. BEALL
Vice President-Underwriting
H. E. COPPS
Vice President-Claims
EUGENE L. REICHEL
Vice President-Brokerage

ROSE CISSON
Executive Secretary
ROBERT H. RYDMAN
*Director of Group Insurance
General Counsel*
BARTON C. BURNS
*Associate General Counsel
Tax Counsel*
CARL A. ERNST
Vice President-Special Sales
J. B. BOLTON, C.L.U.
*Regional Vice President
Western Canadian Sales*
PAUL CHELGREN, C.L.U.
Regional Vice President-Sales
JOHN J. CRANE
Regional Vice President-Sales
HERBERT ALLERS
Group Actuary
J. MYRON ANDERSON
Manager-Advertising
JAMES BALDER
Manager-Data Processing

Board of Directors

H. P. SKOGLUND
Chm. of Board and President
North American Life and
Casualty Company

R. N. GESME (*Retired*)
Vice President
Northwestern Nat'l Bank
Minneapolis, Minnesota

P. J. SUNDBERG
President
Royal Stationery Company
Minneapolis, Minnesota

CYRUS HOIGAARD
President
C. J. Hoigaard Company
Minneapolis, Minnesota

B. H. ODELL (*Retired*)
Vice President
North American Life and
Casualty Company

F. J. HUCH (*Retired*)
Vice President
North American Life and
Casualty Company

T. O. PETERSON
Chm. of Board and President
The Investors Group
Winnipeg, Manitoba, Canada

J. E. SCHOLEFIELD, C.L.U.
Senior Vice President
North American Life and
Casualty Company

JOHN C. SKOGLUND
Vice President
North American Life and
Casualty Company

M. O. WEIBY
President
Pyroil Company, Inc.
LaCrosse, Wisconsin

STOCK TRANSFER AGENTS

REGISTRARS

AUDITORS

LEGAL COUNSEL

First National Bank of Minneapolis
Bankers Trust Company, New York

Northwestern National Bank, Minneapolis
Morgan Guaranty Trust Co., New York

Arthur Andersen & Co.
Minneapolis, Minnesota

Maslon, Kaplan, Edelman, Joseph & Borman
Minneapolis, Minnesota

ANDREW B. BEATTIE
Manager-Group
Underwriting Administration
JOHN BLOOM
Assistant Controller
CHARLES A. BOOTH
Manager-Group Sales
STEWART CARR
Administrative Assistant-
Group
FRANK DANNA
Controller-Canada
ARTHUR R. DAWSON
Claims Manager-Canada
ROBERT C. FRANKS
Agency Assistant
R. C. GROHNKE
Manager-Creditor Insurance
HANS HAGEN
Regional Group Manager
WARD HAMLIN
Underwriting Manager-
Chicago
WAYNE R. HANSON
Director of Health Sales

HERBERT HUNTER
Executive Director-Winnipeg
RAYMOND W. JOHNSON
Personnel Director and
Building Manager
JOHN KEEFFE, C.L.U.
Regional Director
Eastern Canadian Sales
WARREN KIRK
Underwriting Administrator
JERRY LONDROCHE
Agency Secretary
C. RAY MICHEL
Auditor
ROBERT MOORE
Western Region Claims
Manager
WILFORD NELSON
Manager-Systems and
Procedures
EDWARD NIXON
Underwriting Manager-
Canada
HOWARD OLMSTED
Assistant Treasurer

JOHN P. PEPPER
Assistant Controller
GLENN PERRIN
Supervisor Policyowner's
Service
AUGUST PETERSON
Purchasing Agent
RALPH PETTYJOHN
Chief Cashier
DONALD N. PHILLIPS
Director of Training
VIK RONNINGEN
Assistant Director-Brokerage
RONALD E. RYAN
Assistant Actuary
CHARLES E. SAWYER
Director, Service
Administration
HAROLD STEIN
Manager-Health
Underwriting
JAMES R. WESSEN
Underwriting Director
J. E. WHARF
Group Secretary



NORTH AMERICAN LIFE AND CASUALTY COMPANY